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NATIONAL LABOR ADMINISTRATION AND DEMOCRACY IN ARGENTINA

BY

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Report analyzes role, structure, and functions of national labor administration under the democratic regime installed in Argentina in 1983. Findings suggest complexity of issues involved in establishing the structural bases of democratic class compromise after an extended period of authoritarian regression.

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# LABOR ADMINISTRATION AND DEMOCRACY IN ARGENTINA

## I. Introduction

The recent transition to democracy experienced by Argentina offers an excellent opportunity to view the impact that re-democratization in the wake of authoritarian collapse has on public policy. This is especially the case for policy areas that are essential elements in the successful consolidation of a democratic regime. These include social security and welfare services, the provision of public goods in general, criminal justice, and interest group intermediation. In modern Argentina, one example of the latter with ramifications that extend far beyond the scope of interest group politics is the field of labor relations (which is better conceived as state-labor relations, for reasons that will become apparent shortly). This is because organized labor is generally considered to be the most important civilian political actor (beyond personalities) in postwar Argentina, and as such has contributed strongly to the zero-sum economic and political competition that preceeded the democratic regime installed in 1983. Moreover, the Argentine state (particularly those branches involved in national labor administration), was instrumental in pushing the Argentine labor movement to its position of prominence. Since that time (1943-1955), Argentine labor administration has exhibited the organizational and policy vagaries associated with the dissimilar labor projects of a diverse array of regimes alternating power in unpredictable and irregular succession. Given this historical background, and for reasons that I shall elaborate shortly, Argentine labor administration now represents the institutional nexus in which the democratic regime headed by Raul Alfonsin responds to the demands and interests of the reactivated labor movement. As such, it is a critical actor in a policy area central to the process of democratic consolidation.

From 1976 to 1983 (as a harsher variant of a repeated theme), Peronist unions were the object of a systematic campaign of economic and political exclusion on the part of the self-styled "Proceso de Reorganizacion Nacional" (Process of National Reorganization). Since Peronist unions then represented ninety percent of the organized labor force, this meant that the most active elements in the labor movement were forced into institutional silence. The exclusion was evident at both the organizational level, in the structure and function of state agencies charged with labor-related duties, and at the legislative level, where executive decrees and emergency laws gave it formal substance. Beyond that, the wholescale use of state terror added a highly coercive incentive for labor acquiecence.[1] Even so, the resilience of the Perionist unions allowed them to mount the most serious challenges to the "Proceso" once it began to internally divide in 1981. In fact, it was a nation-wide strike called by these unions which provided the triggering event in the timing of the Malvinas re-occupation. As a result, once the "Proceso" began to collapse in earnest, organized labor played a central role in the transition process, as it comprised the core of a highly mobilized and previously disenfranchised mass political movement that in turn represented a significant portion of the electorate.

In light of these events, this paper proposes to examine the branch of the state responsible for managing the demands and interests of the organized labor movement under the new democratic regime in Argentina. The reason for this stems from the fact that, as the primary institutional framework in which the structural bases for democratic class compromise between the organized working classes and competing socioeconomic groups are promoted, Argentine labor administration constitutes a crucial actor in the current process of democratic consolidation.

The democratic resurgence in the Southern Cone has already prompted a spate of work detailing the differences and similarities of each case,

particularly the conditions and motives for the re-opening of the political arena, and the terms and character of the ensuing political competition.[2] Much less work, however, has been devoted to analyzing the institutional frameworks used to promote the class compromise necessary for the maintenance of these nascent democratic systems. Hence, while there are several studies that examine the frameworks erected within the Argentine, Brazilian, and Uruguayan states by the previous military-bureaucratic regimes to establish and maintain their political domination,[3] little attention has been devoted to studying the institutional frameworks promoted within the national state apparatus by their freely elected successors in order to establish the structural bases for class compromise and cooperation deemed necessary for the maintenance of democracies.[4]

## II. Defining the Issue

In order to understand why the structural bases of class compromise are important elements in the process of democratic consolidation, we must refine our notion of democracy so that it accounts for the various levels at which it is manifest. This allows us to distinguish between procedural and substantive democracy. Procedural democracy refers to an instrumental view that emphasizes formal party competition and open, competitive elections as the hallmarks of democratic systems. Substantive democracy refers to the three levels involved in reproducing democratic structures and relationships throughout a polity. At an institutional level, it is reflected in the general organization and specific structure and functions of the state apparatus, in the emergence of an ideologically diverse array of competitive and legally equal political parties (which may or may not have a class basis), and in the organization and behavior of the collective agents that emerge to defend and represent the interests of a variety of social groups (the notions of pluralism and

polyarchy usually apply here). The normative bias of democratic regimes in favor of legal equality regardless of socioeconomic differences grants equal institutional access to the state, and what is more important, guarantees equal and impartial treatment by it.

The difficulties inherent in attempting to achieve this type of institutional arrangement are often due to a failure to promote democratic rules and values at a societal level. At a societal level, the substantive process of democratization involves the inculcation throughout society of basic notions of consent, compromise, concession, and legitimate exchange. This promotes a high degree of tolerance and adherence to the procedural norms and institutional channels which constitute the basic rules and framework of the democratic political "game". That in turn allows for the organized expansion of civil society and the growth of its free expression when addressing political authorities.

Finally (and usually the most difficult to define and achieve), substantive democracy is manifest at the economic level. It involves a general agreement within society which favors political guarantees for the maintenance of minimum living standards that provide for basic physical and social needs, as well as ensure just recompensation for individual productive activity (for example, through welfare legislation and minimum wage standards). Though it is obvious that there is considerable variation on this theme, and that the specific policy approaches used are subject to adjustment and differ from country to country and government to government (such as the use of Keynesian, "trickle-down", or socialist economic strategies), it remains clear that this is a fundamental substantive pillar of mature democratic systems. In fact, the degree to which a society has moved towards the full achievement of procedural and substantive democracy at all of its

levels (by, among other things, valuing procedural democracy intrinsically, for itself, rather than as a facade, instrument, or ritual) helps us distinguish between limited, liberal, and radical democratic political systems.[5]

It is the expansion of civil society, the complexity of its free expression, and the necessity to arbitrate the claims of competing social groups while providing minimum economic and welfare standards that together create the need for democratic state autonomy. Instead of the instrument by which authoritarian regimes direct a coercive monologue towards subordinate groups, the democratic state promotes a congenial political environment that allows individuals to express, through their various collective agents, voices previously unheard. Coupled with a substantive democratic groundswell at the societal level (again, marked by a high degree of tolerance, adherence to procedural norms, and use of institutional channels), dominant and subordinate groups can thereby engage in a broad based dialogue that defines the precise degree of consent, concessions, compromise, and exchange involved in the relationship between democratic representatives and their constituents (in contrast to the absence of these traits in the relationship between rulers and ruled under authoritarian regimes). This dialogue defines the institutional space in which the democratic state mediates the demands of competing groups while protecting the basic interests of all. It is the expanded ability to neutrally "hear" the demands of many social groups that broadens the range of democratic state activity, as well as increase the ability of all political actors to learn from their interaction a better appreciation of democratic values and norms.

Procedural democracy, despite the obvious limitations it carries, often opens the door to more substantive types of democratic change. This can be considered a top-down process of re-democratization, in which adherence to

procedure clears the way for the institutionalization of democratic structures that in turn promote the absorption of democratic values and rules throughout society. In many cases, this form of re-democratization is the designated, if not natural successor of authoritarian regimes that underwent a process of liberalization leading to a political opening. Liberalization refers to the internal dynamic that prompts authoritarian regimes to relinquish political authority. It is most often a result of economic success or failure (or, as in the case of Brazil, successive economic success and partial failure), as well as a diminished sense of threat on the part of regime elites (most often due to the erradication of subversion and general success in achieving domestic order).

Re-democratization refers to the response of civil society to this or any other form of authoritarian demise, most evident in the re-establishing of collective identities, the horizontal expansion of social networks represented by organized agents, and in the growing level of social expression in all its guises. As such, it is very much an external dynamic that serves as an accelerant to authoritarian liberalization. The regime that governed Brazil from 1964 until 1985 provides an excellent study in liberalization leading to re-democratization. Having achieved its primary objectives of economic growth and subversive erradication by 1973, the Brazilian military-bureaucratic regime embarked on a period of liberalization that involved a gradual political distension (distensao) or decompression (descompressao), followed by an incremental political opening (abertura) based on the piece-meal granting of procedural concessions.

This form of re-democratization can be contrasted with a bottom-up process in which civil society mobilizes and expands the range of its demands while moving to secure a voice in the political decision-making process. Broadly evident in the altered tenor of inter-personal discourse,[6] it is

politically manifested in the re-forging of collective identities, and in the formal posing of group demands and interests against those of competing groups when addressing the principal repository of legitimate political power: the state. This form of re-democratization is more likely to germinate in the political vacuum created by authoritarian collapse or (to a lesser degree) from a process of voluntary authoritarian withdrawal without liberalization. A classic recipe for authoritarian collapse is the convergence of internal and external pressures (such as severe economic crisis compounded by a crisis of executive succession -- the "Achilles Heel" of BA regimes mentioned by O'Donnell -- leading to involvement in foreign adventure resulting in defeat in war), something the Argentine "Proceso" painfully discovered in 1982. Similarly, the overwhelmingly negative appraisal of its rule given during the constitutional plebescite staged in 1980 forced the Uruguayan military-bureaucratic regime to schedule a timetable for prompt democratic elections without first transiting through a gradual period of liberalization. Though somewhat more controlled than the process resulting from authoritarian collapse, such a quick transition to procedural democracy nonetheless provides an excellent environment for the rapid generation of a substantive democratic groundswell within civil society.

Time and space constraints preclude at this point a more extensive comparison with the Brazilian and Uruguayan approaches to state-labor relations. With respect to the Argentine case, it is worth noting that much of the substantive move towards the consolidation of democracy occurs after the procedural conquest of political power was achieved. The abrupt collapse of the "Proceso" and the outpouring of public sentiment in favor of a democratic transition left little time for the full establishment of democratic institutions prior to the formal transfer of government authority

(beyond the resurrection of political parties and a general relaxation of restrictions governing rights of opinion and association).[7] Per ende, the primary task of the Alfonsin government is to promote the substantive institutional bases required for democratic consolidation. The centrality of this "institutionalizing" phase stems from the following.

Top down or bottom up, a central step towards full democracy involves the institutionalization of democratic regimes. The creation of democratic structures, as we have seen, is evident at the levels of both state and civil society. This is most obviously seen in the procedural neutrality granted the state apparatus, and in the legal equality granted political parties and the collective agents of differently endowed social groups when addressing their specific demands and ongoing interests before other groups and the state. It is this institutional foundation upon which are built the structural bases of democratic class compromise in capitalist societies. However, in countries where the democratic rules of the game are well entrenched, or in which the class lines are unclearly drawn or overlapped, the terms of the compromise may be more implicit, rather than explicit. Consecrated in popular folklore and political myth, the strength and longevity of the class compromise may eventually allow it to recede in the public memory, as well as permit the elevation of general elections to the status of political ritual [witness the United States, Canada, and France]. This stems from a generalized consensus that regardless of the specific outcome of an election (which is merely a procedure that guarantees regularized, institutional uncertainty), democratic values and rules will continue to be upheld throughout society.

In capitalist countries lacking in democratic culture or in which class lines are clearly demarcated, the terms of democratic class compromise may of necessity be made quite explicit, and are codified in a series of laws and

other institutional measures enforced by the legally autonomous state (such as in Portugal, Spain, and Greece). The fluid nature of economic and social factors in turn forces regular re-negotiation of the terms. This requires a specific organization of the state so that it provides an institutional forum in which the structural bases of class compromise can be adjusted via regular re-negotiation. The recent authoritarian experiments and clear drawing of class lines experienced by the newly democratic nations of the Southern Cone therefore make it highly probable that it will be this type of framework that will be employed during each "institutionalizing" phase.

We shall now proceed to discuss in further detail the notion of democratic class compromise as requiring structural bases for its reproduction. For the moment dwell on the fact that, whatever its initial phase, the full achievement of democracy requires substantive change at the institutional level, since it is at this level where the political guarantees underlieing societal and economic democracy are formulated and enforced. Phrased differently, establishing the structural bases of class compromise constitutes the institutional means by which the move towards a full achievement of substantive democracy is guaranteed.

## III. Class Compromise and the State

To specify further, the democratic state acts as an institutional mediator and provides the organizational framework in which the structural bases of class compromise are negotiated and formally agreed upon. The core of the compromise, as Przeworski and Wallerstein have shown, rests on establishing a mutually acceptable -- and hence preferred, if not optimal -- rate of (re) investment out of profit. Maintained at a rate that guarantees yearly increases in productivity, such on agreement ensures that the material

standards of living of both workers and employers increase over time.[8] In order to guarantee this preferred rate of (re) investment, regardless of short-term fluctuations in profit, the democratic state offers a series of legal and material inducements and constraints that are designed to ensure compliance on both sides.[9]

On the one hand, these include measures such as the rate of interest, tax on profits, investment tax credits, depreciation allowances, differential taxation of capital gains, lower import and export duties for raw materials and finished goods respectively, surcharges, fines, plus other incentives and disincentives that help spur employer's interest in establishing and upholding the terms of the compromise. Similarly, state-provided public goods and services such as cost of living allowances, social security and other welfare benefits, low-interest mortgage rates and/or public housing, ceilings on public transportation rates, medical and other forms of guaranteed leave programs, guarantees on jobs security, pension plans, etc., and more generally, certain basic rights of association and monopoly of representation awarded their collective representatives, do the same for workers. In broad terms, this institutional network includes agencies of the state (in consultation with representatives of capital and labor) charged with formulating and implementing "policies relating to wages, industrial relations, labor disputes, social security, promotion of equal rights, occupational safety and health, protection of migrant workers, conditions of work, participation in the process of economic and social planning, inflation, vocational training, productivity, and protection of the environment."[10]

The provision of social security benefits has been one area in Latin America where the impact of regime type and individual regime approaches towards organized labor has been particularly evident, and as such constitutes

a major institutional conditioner of the possibilities of class compromise in the new democracies of the Southern Cone. As Malloy and Rosenberg point out,

> "direct citizen participation has never been an issue or real possibility in the area of social security policy in Latin America. The issue has been one of 'representation' of 'classes' or 'groups' of interests, defined vocationally, before the state by organizations officially enpowered (by recognition) to articulate such interests. . . . Coverage as a rule was not extended to citizens as such or to broad classes of citizens; rather, wage and salary earners were divided (fragmented) into discrete occupational groupings for purposes of social security coverage . . . Social security coverage in general evolved on a piecemeal, group-by-group basis . . . By and large, the quality of coverage was positively correlated with the sequence of coverage. Both the sequence and quality of coverage were determined by the power of groups to pose a threat to the existing sociopolitical systems and the administrative logic of the contractual type of social insurance schemes developed within the region . . . The upshot was the incremental evolution of social security systems that were both highly fragmented and unequally stratified in terms of the quality of programs . . . These structures, which were often part of a general corporatist approach to labor relations, reflected the goal of established elites to undercut the emergence of a broad class-conscious movement of workers."[11]

In many instances, the extension of social security coverage was part of the initial period of union incorporation into the national political "game" (a subject we shall return to later), and involved union control over state and employer-financed medical and pension programs, such as the "Obras Sociales" in postwar Argentina. For this reason, institutional approaches towards social security coverage for organized labor will play a large role in determining whether a democratic class compromise can be achieved there. Specifically, the policies and organizational strategies adopted by the Argentine state in the area of social security coverage for organized labor now comprise a major part of the broader institutional framework within which the structural bases of a democratic class compromise are to be established.

Another essential, yet very different component of this broader institutional framework is public employment policy and programs, which in Argentina have often been used to absorb surplus labor, or to reward or punish the labor movement (depending on whether it was being used as an inducement or constraint). Given that the public sector is the largest source of employment in Argentina, coupled with the high level of unionization in the public sector (which dates back to the partially incorporative efforts of the Yrigoyen regime during the teens, and which received its largest boost during the first Peronist regime), and given the new regime's commitment to the "privatization" of public enterprises and "rationalization" of public administration (both encouraged by IMF enforced debt refinancing agreements), it is clear that public employment policy will be an integral element of any Argentine attempt at class compromise, and hence of the current process of democratic consolidation.

With the democratic state offering a judicious mixture of inducements and constraints, and often acting as a mediator in negotiations over more narrowly-focused wage versus investment questions, employers and workers are free to negotiate on a yearly basis the optimal rate of (re) investment that will promote the productivity increases that ensure that both wages and profits continue to rise. In this fashion both sides have, on the basis of rational calculations of self-interest, reason to abide by the terms of the compromise.

The essence of the democratic class compromise envisioned here therefor operates as follows: through their collective representatives, capitalists (employers) agree to the establishment of democratic institutions through which workers, represented by their respective collective agents, press claims for material gains in exchange for their acceptance of the institution of profit, following the logic that capital accumulation leads to the expansion

of production. It is these democratic institutions--and particularly the democratic state--that serve as arbiters and mediators of the compromise.

## IV. The Political Economy of Democratic Class Relations

Accepting the notion that profit is essential for the capital accumulation required to reproduce the national mode of production, workers consent to the perpetuation of profit in exchange for improvements in their material welfare. That is, they formally agree that the material condition of all groups is derived from profit, and that future wages therefore depend on current profits, or more precisely, the rate of (re)investment out of profit.

Since investment occurs out of profit, reinvestment is essential for capitalist reproduction and the attendant improvements in material conditions of all socio-economic groups linked to it. Wages are consequently tied to productivity, since this produces the profit from which (re)investment is derived. From the worker's perspective, current profits are a form of worker-delegated investment, since the worker is the ultimate producer (i.e. as wage labor translated into the value of the product and the surplus value in profit).

In effect, a democratic class compromise must include a central feature of the process of production, namely the rate of investment out of profit (or high rate of saving), with the relation of wages to profits based on a fixed rate of investment out of profit. In fact, any agreement on merely turning profits into wages is tenuous from the worker's standpoint because it does not guarantee a steady rate of saving and (re)investment conducive to improvements in long term productivity (and hence material standards of living). As a result, investment decisions cannot be left solely to capitalists (employers). The working classes need an equal voice in such decisions, and the democratic

state must provide the framework for that process to occur.[12] This leads to a specific organization of the state as an expression and agent of reproduction of a democratic class compromise between workers and capitalists (with each group represented by their respective collective agents).

Democratic class compromise reflects the convergence of second-best choices available to capitalists and workers. Capitalists forgo super-exploitation and political authoritarianism; workers forgo economic and political militancy which threaten the capitalist parameters of society. Institutionalized uncertainty in the form of regular elections and other procedural measures guarantee competitive access to governmental authority. In the economic sphere, a series of institutional arrangements similarly provide a framework in which the convergence of second-best choices occurs on materially-calculated grounds of self-interest. The risks inherent in adopting best choice strategies encourage the mutual adoption of second-best options. The risks involved in adopting second-best strategies force regular renegotiation of the terms of the compromise at both the economic and political levels. This is, in effect, a compromised process of competition based on contingent consent.[13]

Hence, the organization and function of specific branches of the democractic state reflect an institutional effort to diminish the uncertainty of both workers and capitalists that the compromise will hold. That is, ". . institutional arrangements are crucial to determine the actual level of risk involved. Corporatist arrangements are designed specifically to increase certainty beyond the particular collective agreement or a particular election: they constitute a form of self-commitment of the parties to adhere to some agreed compromise independently of the short-term fluctuations of both economic conditions and of popular will as expressed in elections."[14] It

should be noted that the type of corporatist arrangements alluded to would have to be inclusionary and societal in nature, since exclusionary and/or strictly state corporatist arrangements would not be reflective of a genuine democratic compromise between socio-economic groups differently related to the means of production. The basic point remains that there must be an institutional arrangement at the level of the state that provides the forum in which the structural bases of democratic class compromise are worked out. In other words, the democratic state provides organizational and legal boundaries in which the collective representatives of workers and capitalists can rationally calculate on the basis of self-interest the (mutual) advantages accrued to them by such an agreement, and then negotiate the precise terms (i.e. structural bases) that constitute the formal parameters of class compromise. Hence, class compromise is the product of tripartite negotiation, a formal type of strategic interaction between labor, capital, and the state based on notions of equitable exchange. Reaffirmed over time (via yearly renegotiation of the terms), this arrangement eventually will be reflected in mutual expectations of workers and capitalists that the structural bases of class compromise can--and will--be maintained.

If the compromise holds, it is possible to spur broad-based increases in productivity by treating wages as a consumption variable (that is, as an output translated into purchasing power), rather than an input factor cost (overhead) that must be kept low. This could help overcome situations where income differences are exacerbated by a lack of increases in domestic consumption. In any event, there exist three sets of risks confronting both workers and capitalists: 1) a lack of class unity on either side, which makes it impossible for them to have a monopoly of representation, i.e., for one or both to have a single legitimate bargaining agent (or set of agents). This is

more likely the case with employers competing within (and even between) various economic sectors but is quite possible among workers in different sectors as well (e.g. between those employed in foreign-owned versus domestically-owned firms); 2) the use of the state for partisan purposes that infringe on its autonomy and favor one side to the detriment of the other; and 3) larger systemic economic risks normally associated with capitalism, in this case aggravated by a large foreign debt burden, a very high rate of inflation, and a low rate of investment.[15]

The importance of class compromise in the process of re-democratization and democratic consolidation has been well reflected in the recent experiences of a number of Southern European nations (as well as several of their North European counterparts). According to P. C. Schmitter, "particularly important in the contemporary consolidation process are the efforts undertaken to reach and implement 'socio-economic pacts' as a device to reduce uncertainties and expectations in specific policy areas such as wages, prices, investments, and taxation."[16] Such pacts are by no means the exclusive province of Europe. In 1973 the democratically-elected regime headed by Juan D. Peron attempted to establish such a pact in Argentina through its "Pacto Social".[17] More recently, the Alfonsin administration has attempted to take concrete steps in a similar direction by calling together business, government, and labor representatives in the newly created Economic and Social Conference (Conferencia Economico y Social) in order to discuss wage policy, only to have labor representatives walk out a short time later (after the government announced a wage readjustment without prior consultation).[18] Similary, before the procedual advent of democracy in Brazil in 1985, there was much discussion of such a pact. However, a lack of class unity on either side, coupled with the restrictive labor legislation of the outgoing regime,

precluded the reaching of an agreement. In a year that so far has seen 326 strikes, it is now a central concern of the Sarnay government.

In other Latin American countries, socio-economic pacts are viewed as stabilizing mechanisms. In Venezuela, "from 1960 on, one can speak of a tacit agreement among parties, worker organizations, and industrialists to maintain in the country what has come to be called the 'labor peace,' which has been solidified increasingly through concertacion (reaching informal agreements so as to avoid public conflict). Without a doubt this constitutes a basic factor in the stability of the present regime."[19] Finally, such pacts are often an integral part of the process of (re) democratization itself. For example, the "Concertacion Nacional Programatica" represented an effort on the part of a wide range of opposition groups to reach agreement on the structural conditions necessary for a democratic transition and consolidation in Uruguay, which then allowed them to confront the outgoing military regime on common terms.[20]

In countries emerging from authoritarian rule, the terms of the concertacion are often necessarily made formally rather than informally, as they deliniate and codify the non-zero sum rules that are the bases of substantive democracy. This was evident in the political and economic pacts negotiated in Southern Europe during the earlier wave of re-democratization that swept through it in the seventies. Ongoing maintenance of such pacts, via regular renegotiation of the terms, allows a high level of mutual expectation and trust to develop among the "social partners." It is possible that the equitable political balance generated by this type of arrangement, when maintained over time, may well allow for a high level of regime stability based on informal agreements. The more important point is that, whether they

be formal or informal, such pacts are agreed upon by sectoral interests represented by their respective collective agents within an institutional framework outlined by the state. The organization of this institutional network, i.e., state apparatus and organized sectoral interests, constitutes the structural bridge between procedural and substantive democracy.[21]

More pertinent to our focus here, the terms of the compromise are worked out within the institutional framework of the state itself, most often under the aegis of a Labor Ministry and its specialized agencies (here referred to as a national labor administration). As I have argued elsewhere, the very structure and function of these institutional forums varies significantly according to the type of regime in power, since it is political regimes that control the apex of the state apparatus, or what is commonly known as government.[22] As such, the institutional framework erected within the democratic state in order to foster the achievement of democratic class compromise between capitalists and workers exhibits certain organizational traits not shared by states that are controlled by other types of regime. According to Przeworski and Wallerstein, "(c)lass compromise implies a particular organization of political relations, a particular relation between each class and the state, a particular set of institutions, and a particular set of policies. The state must enforce the compliance of both classes with the terms of each compromise and protect those segments of each class that enter into a compromise from non-cooperative behavior of their fellow class members." In other words, "the organization of the state as an institution and the policies pursued by this institution constitute an expression of a specific class compromise."[23] It is therefore an autonomous and interventionist state, with a specific set of features that are conducive to the establishment of the structural bases of democratic class compromise.[24]

It is undoubtably true that under democratic regimes most of the state apparatus (or at least those branches with domestic responsibilities) serves as a vehicle for maintaining class compromise, just as a large part of the state apparatus often serves as an instrument for class domination under authoritarian regimes. Moreover, while the particulars of the state's role in promoting and maintaining the compromise may vary significantly among different types of stable democratic regimes (for example, between federal, unitarian, consociational, and parliamentary systems), it is nonetheless likely to be crucial in countries in which democracy has been absent for long periods of time, as is the case here. With this in mind, we should focus attention on the branch of the state that plays a leading institutional role in the labor relations system. The reasons for this are as follows.

Lacking in individual resources when compared with propertied elements in society, subordinate socioeconomic groups in capitalist societies are heavily reliant upon their collective agents for the defense and representation of their common interests. This is because "it is the ability to organize which largely governs the degree of participation in the decision-making process, which in turn facilitates the access of most of the underpriviledged groups to the goods and services that are available to the community."[25] In fact, it is only through collective action (organized or not) that subordinate groups influence the policy-making process. However, while spontaneous, unorganized collective action such as demonstrations may have excellent dramatic impact at a specific moment, it is clear that the long-term, coherent, and systematic representation and defense of subordinate group interests requires an organized collective agent capable of negotiating -- rationally or "irrationally," as the case be -- with the collective agents of propertied groups and different agencies of the state.

Hence, at a general level, the organized labor movement represents the collective means by which the working classes address their common concerns, defend their general interests, and present their specific demands before employers and the political authorities that control the state. As such, organized labor occupies a leadership position when it comes to expressing the economic and political desires of the working classes in general. That is, more than a "labor aristocracy," organized labor is the most politically and economically articulate sector of the working classes, hence its leadership role. In the words of a former Argentine labor leader, "syndicalism must fulfill a double function that promotes the advancement of the working class and the people in general . . . (that is) it is charged with revindicating the economic, political, social, and cultural rights of workers and, from its specific position, simultaneously marshalls energies to ensure that political power is exercized by the people."[26]

Of course, the logic of collective action extends to other social groups as well, particularly during processes of re-democratization and democratic consolidation. This is because ". . consolidation involves a public definition of substantive issues and an institutional specification of policy spaces which brings organized interests to the forefront."[27] Hence the importance of "peak associations" that segmentally divide civil society along functional, ethnic, religious, or class lines (one of the latter being National Labor Confederations).[28] It is the peak associations of capitalists and workers who ultimately negotiate, often with state mediation, the terms of the class compromise.

The importance of such "tripartism" has long been recognized in the labor relations field.

> "Tripartite co-operation began its development in what are called the three basic areas of minimum wage fixing, the settlement of

> labour disputes and the administration of social insurance. Starting with these areas, tripartism expanded to other sectors of labour policy such as employment and human resources, vocational training, occupational safety and health, industrial relations and the protection of certain specific types of work. Recently the need has been felt to associate representatives of employer' and workers' organizations in certain labour administration programmes designed to improve working conditions and the working environment."[29]

In Latin America, belief in tripartism lies behind the use of socio-economic pacts and concertacion as stabilizing mechanisms in democratic regimes.

Hence,

> "(b)y its very nature, labour administration makes an obvious meeting point for workers, employers, and representatives of their organizations who wish to discuss and settle their problems. The parties themselves have always displayed an interest in strengthening their direct contacts and their links with the labour authorities. Experience has indeed shown that when neither side had the opportunity to know the point of view of the other or to make known its own point of view, or when no use was made of the intermediary function of labour ministries, or when it was not possible to influence the manner in which they ran public affairs, the activities of both trade unions and employers were inevitably restricted and precarious. The development of tripartite cooperation was resisted only by the most uncompromising trade unionists and the most obdurate employers who sometimes refused to recognize the existance of the other party. Otherwise the tendency both in the trade unions and on the part of professional management as it evolved in the region was to accept and promote tripartism. In this way, the initial somewhat sporadic contacts dating back to the establishment of labour ministries, gradually gave way to more institutionalized forms of reapprochment and even to systems of collaboration."[30]

In any case, be it cooperative or conflictive, it is clear that the importance of using collective action to achieve common goals is a mainstay of political life, and as such is a fact not lost on organized labor when confronting political authorities (represented by the state) and capitalists under a variety of regime types. However, the ability of organized labor -- as with any large, diverse, and nationally aggregated social group -- to speak uniformly with one voice is often difficult to achieve, especially in

political climates where such unity is officially discouraged. This is all the more onerous when contending social groups do enjoy such cohesiveness, or where they enjoy the protection of the regime in power. Thus the current dilemma confronting the Peronist labor movement, which although organizationally united through the "vertical" union structure, is torn by internecine ideological disputes between various factions (especially the so-called "62" organizations -- itself cleaved into "Miguelista" and "Ubaldinista" camps -- and the 25 unions of the "renovating" current) about the true content of Peronism. In addition, the Peronist Party is similarly divided while simultaneously engaged in an institutional competition with the Peronist-dominated General Labor Confederation (Confederacion General de Trabajo, or CGT) for the "hearts and minds" of the Peronist masses. Since the disarticulation of organized labor at the national level was a primary objective of the preceeding authoritarian regime, and since Argentine capitalists have nationally representative peak associations speaking for them (such as the Sociedad Rural, Camara de Exportadores, Union Industrial, and various foreign chamber of commerce groups), it should be apparent that the achievement of an organizational ability to speak with one voice through its peak associations remains a fundamental (short-term) task for organized labor during the process of democratic consolidation.

In fact, consolidation of the labor movement also is a primary concern of the new democratic authorities, who recognize the importance of organized labor in the overall process of democratic consolidation, and who are consequently anxious to see that the status of the labor movement be "normalized" (to use the term employed in Argentina). Thus, "(w)ithin what the President . . and other members of government frequently call the modernization of the State and of fundamental public activities, figures the

re-structuring of labor relations which, according to official reasoning, implies legal reforms not only applicable to syndical organizations as such, but also to their participation in the economic and social system."[31] To that effect, "Legislative projects have been and are being elaborated which regulate the constitutional right to strike, new collective bargaining agreements, and other guarantees of health insurance, as well as apply dispositions which determine the role of public authorities in this new relationship. Possibly the most important legal initiative is the future Law of Professional Associations . . . which if accomplished, will produce a profound transformation in labor structures and relations."[32]

Governmental preoccupation with including organized labor in the democratic consolidation process also is due to the belief that it offers benefits in the form of reciprocal legitimation. That is,

> "it would seem that the establishment of a political democracy under conditions of contemporary capitalism where the state has a substantial responsibility for intervening in the economy and society -- and is held accountable for its performance in doing so by the electorate -- requires, in addition to the competitive interaction of political parties, some effort at establishing a system of regularized bargaining between social parties, usually nationally aggregated, comprehensive class associations, which will help to control certain economic parameters and to ensure a higher level of social peace. . . In the more uncertain conditions of an on-going consolidation of democracy, their contribution may even be more important. For, in addition to their potential role in controlling economic parameters, pacts of this sort may play a crucial 'legitimizing' role. The associations require public recognition of their status as priviledged (if not necessarily monopolistic) intermediaries; the new regime needs to prove to the public that it is capable of producing a class compromise and generating social peace. This potentiality for "reciprocal legitimation" is, however, no assurance that the "social partners" -- business, labor, and the state -- will find it easier to reach agreements and, especially, to implement them. To a considerable extent, this will depend on the organizational structure and resources of the peak interest associations which emerge from the transition process. .".[33]

In fact, in democratic systems the benefits of reciprocal interaction goes beyond mutual legitimation. That is, reciprocal interaction between collective representatives of voluntary associations and formal political institutions such as political parties not only provides checks and balances on the democratic state and a measure of legitimacy, it also "enriches the institutional landscape of politics, supplementing the role of political parties in articulating interests, stimulating participation, increasing citizen efficacy and effectiveness, recruiting leaders, and enhancing commitment to the democratic system."[34] This is often reflected at an organizational level on both sides. In Venezuela, for example, "the operational norms of most associations are modeled on those common in the political system. Competitive elections are standard practice, the rights of opposition are generally respected, and opposition representatives commonly share in group governance through proportional representation. In all these ways, organizational life reflects and reinforces more general political principles."[35] It is ostensibly this goal which fuels the current attempt by the Alfonsin government to revise the Law of Professional Associations, the basic legal charter regulating the structure and behavior of labor unions and federations. In the eyes of the Peronist leaders of the union movement, it is a desire to destroy the institutional foundations of Peronism which fuels the proposed revisions of the union charter, and they have so far successfully opposed it (the first attempt to revise the Law of Professional Associations was defeated in Congress in February, 1984, and was Alfonsin's first major political defeat). In any event, reciprocal interaction and legitimation ultimately derive from a shared belief in the benefits of equitable social exchange. Specifically, the "social partners" accept the mutual benefits accrued through this type of strategic interaction -- the

right to private property and profit for capital, social peace, economic growth, and political legitimacy for the state, and a more equitable and participatory role for organized labor in the economic and political process (translated into a higher and more egalitarian quality of life for the working classes).

Thus, if we accept the argument that class compromise is required for the maintenance of democratic regimes, some institutional forum must exist in which organized labor is able to formally and equitably counterpose its position against those of competing social groups. This is especially true for countries like Argentina, where sustained industrial growth since the 1930s, although varying in extent, specific character, sector, and over-all success, fostered the rise of organized labor as a major political and economic actor. In fact, the rapid growth and political mobilization of organized labor is believed to have played a major role in bringing to power both of the military-bureaucratic regimes that Argentina has experienced during the last twenty years. That is because the growth and mobilization of the organized working class as of 1943 was long perceived by the military hierarchy and dominant fractions of the bourgeoisie as posing a serious threat to the conservative, capitalist parameters of Argentine society, which has repeatedly required authoritarian moves to forestall such a possibility. It is now well known that the latest reaction had an extremely adverse impact on the economic, political, physical, and spiritual fortunes of the Argentine working class. What is important for us to consider is that the ultimate success of the current process of redemocratization absolutely requires the re-incorporation of organized labor as a primary political and economic actor, and that it be on on equal footing with other socio-economic groups when addressing its collective interests before the democratic state.

The notion of incorporation has recently received serious attention in regards to both the Latin American and Western European experiences. Broadly understood as the period in which the labor movement is initially given a participatory role as a national political and economic actor, incorporation is believed to be a process that leaves a lasting--and often distinctive -- structural legacy in the countries in which it has occured.[36] In Latin America the original period of incorporation occurred under a variety of political regimes, and was formalized through legal recognition, the institution of state-mediated collective bargaining, the creation or elevation of labor departments to cabinet-level status, and the extension of (often union-managed and state-financed) social welfare programs. This generally occurred between the 1930's and 1950's (where it did occur).[37] However, in the Southern Cone, most recent regime approaches towards labor have been uniformly exclusionary at both the political and economic levels. Even so, the specific "historic memory" and characteristics of each labor movement, the respective particulars of the original incorporation periods experienced by each, and the extent of the exclusion to which they were subjected under the preceeding military regimes, all have a distinctive impact on the particulars of each process of re-incorporation.[38] Needless to say, all of this has given a unique flavor to the Argentine case.

More generally, it is argued that the mode of incorporation of social groups and political actors varies according to regime type, and depends on systemic conditioners at play during specific phases of national economic and political development.[39] For example, the initial process of incorporation experienced by Argentine labor from 1943 to 1955 -- a populist authoritarian mode of incorporation characterized by a high degree of personalism and the vertical representation of organized interests in an inclusionary state

corporatist framework -- can not be replicated now (if this indeed was the intention) due to a variety of economic, historical, political, and sociological (not to mention normative) reasons. The democratic mode of incorporation is considered to be significantly different from the populist variant, to say nothing of military-bureaucratic attempts at exclusion.

> "It is, of course, only the integrative mode of inclusion that, other things being equal, can on a long-term irreversible basis accommodate the massive entrance of new participants into the political game without reinforcing any tendencies towards a breakdown of the parliamentary institutions and the imposition of dictatorial solutions. It is only within an integrative system that the new entrants, given the horizontal, nonpersonalistic mechanisms of inclusion, will reinforce the strength and autonomy of existing collective organisations. Only then can the distribution of political power, on the level of collective action, be organised in such a way that extreme polarisation between rulers and ruled is avoided and civil society is strengthened by becoming more resilient to state manipulation -- and this type of strengthening, as the English model of political development has shown, presents no threat to the bourgeois order but, on the contrary, further legitimises it by making it more hegemonic."[40]

The question of hegemony aside, it should be clear that the democratic mode of incorporation has an integrative orientation that is manifested in a series of structural arrangements evident in the organization of social group interests, and in the organization of branches of the state responsible for administering them. The question of the relative autonomy of civil society under democratic regimes is more difficult to answer, as it transcends purely structural transformations. Moreover, it ignores the issue of the relative autonomy of the democratic state vis-a-vis civil society, which is also believed to increase relative to authoritarian capitalist regimes. Ideally then, it should be the autonomous collective agents of various social groups, in an institutional forum provided and mediated by the equally autonomous democratic state, who would negotiate (on rationally calculated grounds of material self-interest) the terms of the democratic class compromise. In

practice, this promotes a bureaucratic dynamic within both the state and collective agents that is disposed towards structural arrangements that utilize them in pursuit -- however so elusive -- of a negotiated compromise (i.e. a socio-economic "pact"). That is to say, relative autonomy aside, the various social "partners," both public and private, have strong reasons to seek to perpetuate the democratic class compromise, as it reinforces their (organizational) positions as major economic and political actors.

As a result, in countries such as this where the working classes are relatively large and/or well-organized, and in which they were systemically excluded from the political arena by the previous authoritarian regime, the promotion of class compromise requires that the new democratic regime award importance to the specific demands and ongoing interests of organized labor, and that it consequently provide some form of institutional framework in which these demands and interests can be voiced, juxtaposed and weighed against those of employers and other economic actors, and ultimately negotiated to a peaceful resolution. This institutional framework, in other words, becomes the primary forum in which the structural bases for democratic class compromise are achieved.

Taking into account the size, recent history, and important postwar political role played by Argentine labor, coupled with its important position in the initial process of re-democratization, it seems reasonable to infer that the branch of the Argentine state that has traditionally been responsible for labor relations be used as the primary institutional forum for promoting democratic class compromise, and will therefore be awarded high priority by the Alfonsin government. This may well entail major reorganization of the pre-existing institutional framework and labor relations system, since they were designed and used by the preceeding regime as instruments of political

domination and economic exclusion that subsumed working class concerns to those of competing economic and political interests.[41]

The importance of these organizational changes cannot be over-emphasized, as they represent changes in the institutional parameters and "policy spaces" that condition the early range of choice available to organized labor when juxtaposing its interests against those of competing groups. These early choices influence the subsequent evolution of political and economic competition, and "are likely to have a lasting effect on the resources and internal organization of interest associations -- which in turn will predispose them to a particular role in different types of democracy."[42] It is therefore possible to conceive of the process of regime installation and maintenance as involving a specific mode of incorporation based on a particular range of choice presented to key social actors (in this case organized labor). Phrased differently, a select range of choice among economic and political options is presented by a regime (in the form of who it goes after and what it offers), using the state as the instrument of application, in order to encourage the participation of important social actors in maintaining the regime. In Gramscian terms, this range of choice can be considered to be the essence of the hegemonic project of different types of regime. Differences in the framing of these choices, as well as the specific options offered, are what allow us to distinguish between the projects proposed by each regime. In turn, the degree of cohesiveness, organizational capacity, and resource endowment of various social actors influence their perceptions of choice when considering the projects of different regimes, and is what ultimately prompts them to support some and not others.

For these reasons, the successive, closely linked processes of democratic incorporation and consolidation ultimately rest on a network of institutional conditioners. That is, organizational frameworks and rules constitute the institutional parameters that determine what forms of collective action are feasible for different social groups and political actors (both public and private). This conditions the range of choice available to each actor, which in turn defines the nature and content of the strategic interaction between them. This variable range of choice, translated into different types of strategic interaction between collective agents, political parties, and branches of the state, determines the range of possible outcomes, only some of which are conducive to the class compromise required for democractic consolidation (and with many in fact working against it). It goes without saying that the entire process is a highly dynamic, if not dialectic continuum, and is eminently susceptible to reversal, interruption, or collapse. The basic point is that at every level -- institutional conditioners, forms of collective action, ranges of choice, types of strategic interaction, and possible outcomes -- the combined process of democratic incorportion and consolidation exhibits specific characteristics not shared by other regime types.

Democratic incorporation therefore requires that the early range of choice presented to labor be perceived by labor to be acceptable, if not equal to that of other social actors, particularly capital. The institutional framework provided by the democratic state provides the concrete guarantees that such is the case, and is what allows labor and capital to negotiate as equals the terms of the democratic class compromise. In turn, it is this relatively equal range of choice, and the procedural neutrality of the state when enforcing the terms of choice once they are accepted, that distinguishes

the project of democratic regimes from those of other regime types. That is, through the specific range of choice provided by state-provided and enforced inducements and constraints, capital and labor are incorporated on equal terms as fundamental social pillars of democratic regimes. Even so, and despite the important issues this raises, there are currently no studies that examine the role, structure, and functions of national labor administration in the processes of re-democratization that have occurred in the Southern Cone.

This gap is particularly notable in light of the relative paucity and general orientation of the literature on labor administration and labor relations in South America. Apart from the works of Victor Alba, Robert Alexander, Davis and Goodman, Julio Godio, Hobart Spaulding, and Howard Wiarda, little has been written during the past twenty five years that comparatively examines the role and structure of national labor administration in Latin America.[43] Moreover, most of these studies, as well as earlier works such as those by Poblete Troncoso, are more exercises in descriptive history rather than analytical examinations of Latin American labor relations systems.

As for the remaining literature, most recent studies of organized labor in Latin America have concentrated on the corporatist character of individual national labor relations systems, and have seldomed ventured to undertake cross-national comparisons.[44] Though they identify differences among the types of corporatist approach employed (state or societal, inclusionary or exclusionary), these works have seldom addressed the position of national labor administration in democracies. Whatever its precise configuration, corporatism has largely been associated in Latin America with authoritarian rather than democratic rule, this despite recent European studies that suggest

democracies exhibit certain corporatist traits as well.[45] In fact, it has been suggested that (democratic) corporatist arrangements may simultaneously increase the certainty of both classes that a class compromise will hold, and hence will yield significantly superior outcomes.[46] While the authoritarian bias of most of the Latin American corporatist literature may well be a reflection of the times (since at one point in the mid-seventies, when the literature on corporatism was in full bloom, every country in the Southern Cone plus Bolivia, Paraguay, and Peru were governed by authoritarian regimes of one type or another), it seems less certain that this applies to the institutional framework promoted by the new democratic regimes of the eighties. As a result, at this unique juncture in Argentine political history of there exists no work that examines the differences between national labor administration under the new and old regimes, much less the vital role played by national labor administration in promoting the class compromise requisite for democratic success over time.

But why, one might ask, should we focus on labor administration as opposed to, say, other branches of the state involved in the economic policy-making process? Mainly, because labor administration is a primary institutional arena in which economic theory runs squarely into the realities of policy implementation in a heterogenous society divided along socioeconomic class lines. That is because agencies such as ministries of Economy are generally responsible for formulating economic "grand strategy," i.e., the broad parameters and long-term orientation of a regime's particular economic project. Other agencies of this sort (such as ministries or secretariats of Agriculture, Finance, Industry, Commerce, and Trade), each with a more specific specialization in some aspect of that project, segmentally translate and implement elements of the "grand strategy" in their respective areas (at

the tactical level, as it were). At most, they receive the segmental feedback of various propertied groups, each with a specific economic interest. However, they do not translate said project into labor policy and thus do not directly receive the feedback generated by the organized representatives of the labor movement, who represent the work force in public and private enterprises which span a wide range of economic activity. This is the province of labor administration, which traditionally contains the organizational and legal framework in which regime economic projects contend with the economic and political projects and strategies of the working classes. It has also generated a bureaucratic dynamic that seeks to perpetuate the important role played by labor administration, and which is intrinsically amenable to tripartism. In some parts of Latin America, for example,

> "On the side of labour administration there was also (a) marked interest in promoting the participation of the social partners in the elaboration and application of labour policies. It was fully realized that without the support of the organizations directly concerned it would not be possible to implement government policy. How could labour standards be effectively applied, or substantial employment promotion measures be taken, or vocational training be really fostered without the co-operation of the unions and employers who would be the first to be affected by these policies? Tripartism, moreover, served a double purpose: firstly, discussions between the parties and the labour authorities made it possible to reach the minimum degree of social consensus required for production activities to be carried out normally; secondly, tripartite co-operation provided labour ministries with the opportunity of joining forces with organizations of employers and of workers so as to strengthen their own position vis-a-vis government bodies and the community as a whole and thereby accentuate their role in the process of economic and social development.[47]

It should be obvious that there has been considerable variation in the degree to which national labor administration in different countries has been able to achieve either this ostensible objective or the degree of autonomy that it reguires. Not surprisingly, best success has been achieved in stable

democratic regimes such as that of Venezuela. Conversely, the recent experience of labor administration in the Southern Cone has seen its position severely curtailed as cooperative orientations gave way to the exclusionary policies of military bureaucratic regimes. In any case, it should be equally clear that labor administration is the primary institutional forum in which the specifics of democratic class compromise are worked out, will thus be awarded considerable priority by the new democratic regimes in the Southern Cone, and should therefore be the object of more detailed analysis.

Our focus will therefore center on the two dimensions of Argentine labor administration that together constitute what is known as the national labor relations system. At an external level (that is, outside the state proper), we must identify the labor strategies adopted by the democratic regime, and the legislation and other legal or material instruments used to implement these strategies and regulate the activities of the organized labor movement. As part of this review, these measures must be related to those that were employed by the previous regime.[48] At an internal level (that is, within the state apparatus), a number of variables within national labor administration need to be examined. Grouped into three broad organizational categories -- structure, budget, and personnel -- these variables include organizational hierarchy, jurisdiction, and internal emphasis, personnel backgrounds, distribution, and turnover, and budgetary size (both in total amounts and as a percentage of central administrative outlays) and internal distribution. While the Labor Ministry (Ministerio de Trabajo y Seguridad Social) serves as lead agency in the national labor relations system, focus on these variables allows for more precise analysis of the role and structure of the entire system, which can be related back to the framework used by the previous regime in order to discern areas of continuity and change.[49]

We can then proceed to determine whether and how these external and internal dimensions of national labor administration are combined with employer inducements and constraints in order to provide an institutional framework for achieving the structural bases of democratic class compromise between the Argentine working class and other socio-economic groups.[50] The interaction between these state strategies and those of the labor movement will be given close scrutiny. Study of Argentine labor administration is doubly valuable because most analyses of the Argentine policy-making process have concentrated their attention on elite influence on policy and presence in the state apparatus.[51] Even now, much emphasis is given to the nature of the elites involved in formulating policy in agencies such as the Ministerio de Economia, Secretaria de Finanzas, and Secretaria de Planeamiento, especially their relationship with various sectors of Argentine capital. In turn, studies of Argentine labor consistently depict it as the restive object of a campaign of economic and political subordination on the part of these elites.[52] Yet, whether in opposition or as a base of support, the Argentine labor movement represents a force which has shaped the contours of the modern Argentine political landscape. In spite of this, conditions during the postwar era have worked against the full, long-term incorporation of organized labor as a social partner equal to the propertied elites. It may well have taken the trauma of the 1970s to alert Argentines of all classes to the fact that this is a fundamental step in the consolidation of the democratic regime -- although that is something that remains to be seen.

## IV. Regime Type and State Structure

This study arrives at an opportune moment, as it extends the thrust of recent comparative research on the state and regimes. There is evidence to

suggest that the role, structure, and functions of national labor administration vary according to regime type.[53] This tends to confirm, at least partially, more general observations about the different organizational characteristics exhibited by the state under different types of regime (and even among the same regime-type).[54] In a series of path-breaking essays, Oscar Oszlak and Guillermo O'Donnell have argued that in Latin America, the organization of the state apparatus offers clear and concrete evidence of the type of political regime in power.[55] As the preeminent institutional actor, the state manifests the social, economic, political, and military objectives of regimes, since translating policy into action requires an organizational capacity to do so. In this regard, we can conceive of national state organization -- that is, the role, structure, and functions of the state apparatus, both generally and in terms of specific branches in "core" areas of endeavor -- [56] as a reliable political indicator of the regime in power.[57] It should be obvious that this has both theoretical and practical implications that extend far beyond mere academic exercise.

In terms of recent Latin American experiences, Oszlak provides valuable synoptic descriptions of the state apparatus under several different types of regime. Bureaucratic-authoritarian (BA) regimes adopt pyramidal structural hierarchies characterized by parallel (most often military) control hierarchies. They undertake a program of rationalization, de-concentration, and subsidarization of functional responsibilities, coupled with an efficiency-based management orientation. Financially, BA regimes employ universalist budgetary schemes governed by authoritarian allocation procedures. At the personnel level, there is often a virtual "colonization" of the state by military personnel.[58]

Under liberal democratic regimes (which have been admittedly few in Latin America), Oszlak uncovered poliarchic (following Dahl's definition) hierarchical structures in which control hierarchies are shaped by public opinion, political parties, and the pressures exerted by representatives of important social groups. Organizational autonomy (which will be elaborated upon shortly) and de-centralization, coupled with a clientalistic orientation, are the functional hallmarks of states controlled by these regimes, though this often leads to the duplication of agencies and overlapping of responsibilities. At a budgetary level, financial autarky and competitive allocation procedures are the norm. In terms of personnel, there is a clear move towards populating higher-echelon positions in the state apparatus with career public servants.

Patrimonial regimes erect radial hierarchical structures with personalist control channels, and superimpose these on a highly formalized (when not sclerotic) bureaucracy subordinated to ad-hoc decision-making agencies (the so-called patrimonial "court"). Financial resources are concentrated within the executive branch and subject to discretionary allocation criteria. Personnel selection is highly personalistic and ascriptive in nature.[59]

As alluded to earlier, recent studies suggest that these general differences are replicated at a microanalytic level within specific branches of the state, although the precise organizational traits in question often vary between different "core" branches of the state as well as among regimes (between national labor and health administration under military-bureaucratic and populist regimes, for example).[60] These differences extend to the level of public policy. Specifically, even when taking into account several constraints which diminish its impact at specific points in time, Benjamin Most has demonstrated that regime change has a significant influence on public

policy in modern Argentina. This tends to confirm more general observations made by Oszlak and O'Donnell.[61]

To elaborate on the notion that regime type has a decided impact in the area of labor relations policy, consider that the structure of national labor administration (including hierarchies, formal mission and modes of interaction) identifies the way in which public resources and policy responsibilities are distributed within the labor relations system. A detailed budgetary breakdown identifies salary versus non-salary allocations, at what level financial authority is vested, and the type of financing used. Personnel data identifies who operates the national labor relations system, their training and social backgrounds, and their individual roles. Together, such individual and organizational resources and strategies, informal and formal rules, allocation and recruitment procedures, all influence the formulation and implementation of policy within the general parameters established by individual regimes. This emerges in the form of decrees, edicts, laws, and resolutions enforced by the Labor Ministry and affiliated agencies. It is therefore the nature of these internal variables, and how they interact with the previously mentioned external variables, that gives precise character to the current Argentine labor relations system.

The basic point should be clear. Though dissimilarly filtered into organizational reforms, and although often promoting different traits in different "core" areas of state activity, regime change has strong impact on public policy and the role, structure, and functions of the national state apparatus. This impact is particularly felt in those branches of the state with important (when not critical) domestic responsibilities. That is, while externally-oriented branches (the military apparatus and diplomatic services) may have requirements that diminish the impact of regime change on their

organizational framework (but not on their policy orientation), internally-oriented branches connected to important domestic issues tend to be influenced by regime change in more direct fashion. Given the legacy it has inherited, Argentine labor administration constitutes one such "core" area of state activity. More importantly, the position organized labor occupies in the political and economic spectrum makes the role and organization of national labor administration a central concern of the new democratic regime. This is especially true when we factor in the role it potentially plays in fostering the establishment of the structural bases of democratic class compromise between organized labor (as the collective agents of the working classes) and employer-producer groups (as the collective agents of capitalist interests).

To questions deserve additional mention. First, much has been said about the "relative autonomy" of the democratic capitalist state. That is, the state under stable democratic regimes in capitalist societies is believed to contain relatively autonomous bureaucracies that are unbeholden to specific class interests, and which in fact have particular institutional interests of their own. At worst, it is believed that this merely disguises the class domination upon which the bourgeois state is founded. At best (and more pertinent to our concerns), this allows for a degree of institutional neutrality and flexibility that is conducive to class compromise.[62]

The notion of the relative autonomy of the democratic capitalist state is the subject of much debate.[63] For our purposes, a refinement of the concept is necessary. The notion of state autonomy must be split in two in order to better reflect its different levels of operation. Hence, normative autonomy refers to the ability of the state apparatus to <u>formulate</u> policies free from the overt interference of competing sectors of civil society (more subtle pressures instead serving as motives for discrete change within the general

parameters established for such policy-making). Operative autonomy refers to the ability of the state apparatus to implement policies free from these pressures. Together, these two levels constitute what is commonly referred to as the procedural neutrality of the democratic capitalist state.

The basic issue is therefore one of relative "permeability." That is, how permeable are the apex of the state, or government (at the level of normative autonomy), and specific branches of the Argentine state (at the level of operative autonomy), when confronted by the competing pressures exerted by different sectors of civil society? Arguments by Skocpol and others suggest that the degree of permeability of the democratic capitalist state is low.[64] Oszlak has argued that just the opposite is the case in Latin America (hence the "clientalistic" orientation of the public bureaucracy), something that I have found to be true in a study of the modern Argentine state.[65]

In a related vein, O'Donnell has pointed out the apparently (authoritarian) regime-specific segmental "capture" of certain branches of the state by influential social groups, in a form of inclusionary societal corporatist scheme that often "bi-frontally" parallels exclusionary state corporatist arrangements that are designed to control, rather than administer the interests of subordinate social groups.[66] For example, under the "Proceso" state autonomy (at both levels) was quite low in the economic policy-making branch, while at the same time it was quite high in the more militarized branches (including labor administration) charged with enforcing the exclusionary program.[67] In fact, this represents just one organizational manifestation of the latest in a series of "tidal" institutional changes that have swept the Argentine state apparatus after 1930, and which have responded to "pendular" shifts in the uneasy power balance between Argentine social groups (evident in frequent regime change).[68] More generally, this points

to the fact that different forms of social group interest mediation and managed political access reflect the relationship of different social groups with different types of regimes.

Whatever our understanding of bourgeoise democratic state autonomy, a critical point remains: the democratic capitalist state must generally serve as a neutral arbiter and guarantor of class compromise in order for democracy to be maintained, so it must develop at both levels a certain measure of autonomy relative to the particular interests of different socio-economic groups. Here Offe's notion of "state managers" becomes important, for it is procedurally neutral, sectorally impartial, and class-detached professionals within the democratic state that serve as the human referees of the compromise.[69] In other words, rather than the representatives of one or the other class (although these also often tend to be incorporated into the institutional process), experienced public servants -- in the case of national labor administration most often specialists in labor legislation, conflict mediation, and procedural law -- use their expertise to promote an institutional framework in which labor and capital can negotiate the specific terms of the democratic class compromise.

The orientation of the democratic state is therefore apparent at the micro-organizational level. Not only is there a general trend towards increased autonomy and procedural neutrality on the part of state agencies; their very structure reflects the class compromise as well. For example, there is a general compartmentalization and decentralization of functional tasks within "core" branches of the state such as national labor administration. On the one hand, tasks connected with registration of collective bargaining agents and more specific negotiation/mediation duties are separated and functionally compartmentalized within their own sub-cabinet agencies (such as the Direccion Nacional de Relaciones de Trabajo and the

Direccion Nacional de Asociaciones Profesionales in the Argentine Labor Ministry). In parallel, the state increases its responsibilities in other areas pertinent to labor concerns such as welfare legislation, social security, employee health standards and care, work schedules, retirement and pension plans, mandatory vacation leave, sick leave, etc. With the democratic state assuming a larger role in these areas (and with each area often having a cabinet or sub-cabinet agency expressly responsible for it), the collective agents of labor can first be formally recognized, then brought together with the collective representatives of capitalist interests in an institutional forum where they can strictly negotiate wage versus (re)investment terms.

While it is debatable whether the limited democratic regimes of Arturo Frondizi (1958-1962) and Arturo Illia (1963-1966) had this as their specific objective, they did adopt organizational approaches that were similar to each other and yet markedly different from either the military-bureaucratic or populist authoritarian approaches to labor relations. Resource flows within national labor administration did in fact follow a pattern such as that described above, with financial emphasis accorded welfare functions and administration, while apparent neutrality and professional experience dominated the appointment of upper-echelon personnel charged with mediation, registration, and administrative tasks.

Obviously, there is a variation on this theme. The central point remains that this type of structural framework is markedly different from the more centralized and/or narrowly defined structures evidenced by national labor administration under the military-bureaucratic regime that preceeded the latest democratic resurgence in the Argentina.[70]

What should ultimately be apparent is the following. Regime change influences both public policy and the structure of the state. This change is more likely to be significant and concretely evident in "core" internal areas

of state activity such as national labor administration. This is particularly so in Argentina, where the position of organized labor makes it an important social group whose interests are a primary concern of the democratic regime installed in 1983. Moreover, stable democratic regimes in capitalist societies require the establishment of structural bases of class compromise between labor and capital. To that end, the democratic state must provide the institutional framework in which to negotiate and maintain the terms of the compromise. This requires that the state achieve a significant degree of normative and operative autonomy that allows it to mediate and enforce the terms of the compromise in class-neutral fashion. Hence, the role and organization of national labor administration is a central element of the Argentine process of democratic consolidation.

One area that warrants separate attention (beyond the scope of this essay) is the impact of external systemic influences on these processes of redemocratizaton. In particular, the constraining parameters imposed in each case by large foreign debt burdens makes especially difficult the task of institutionalizing the structural bases of democratic class compromise. This is particularly true in this case, where the legacy of zero-sum authoritarian solutions weighs heavily on the new democratic regime. In that light, the role of lendor-nation government policies in fostering or preventing a resolution to the debt crisis that allows for the institutionalization of democratic class compromise in the Argentina and elsewhere deserves close scrutiny. This is especially true for the policies of Latin America's biggest trade partner, creditor, and regional military and economic power. That is to say, even if the parties to the compromise do not cheat, and even if the newly democratic state serves as the neutral and autonomous arbiter/mediator of the

terms of the compromise, the chances of successful redemocratization continue to hinge on the pressures applied by external, systemic forces (e.g. the prime rate of interest recommended by the U.S. Treasury).

Finally, it should be noted that the gap between theory and praxis is seldom fully bridged. Informal rules may weigh more that formal rules, personalities may outweigh bureaucratic structures and regulations, ad-hoc, short-term crisis management may replace consistent long-term policy implementation, etc. In the developing world, complex organizations often tend to be an amalgam of traditional and modern practices, where charismatic and technocratic personalities, education and personal ties, impartiality and bias all have a role to play.[71] Suffice it to say at this point that as such, Argentine labor administration has evidenced all of the above and then some during the last half century. The issue to be underscored again is that the translation of labor policy into practice requires organizational capacity and as such is concretely manifested in the structure and functions of national labor administration. This institutional framework conditions the range of choice presented by the current regime to the organized labor movement, which will ultimately determine whether it is incorporated or not in the democratic consolidation process.

Given this, the role of the state in promoting the structural bases of democratic class compromise in Argentina offers the opportunity to view, from an institutional perspective, the process by which one of the new democratic regimes in the Southern Cone moves to consolidate. It is to the specific institutional features of this process that our attention now turns.

## V. The External Dimension

The external dimension of Argentine labor administration involves two broad and overlapping levels of operation. One level is constituted by the regime's approach towards the structure of the labor movement itself, which is designed to promote union democracy in all areas of activity. The other level involves the simultaneous incorporation of organized labor into the process of democratic consolidation through the use of tripartite vehicles. Each level includes a range of tactics involving various mixtures of inducements and constraints. The fact that the CGT is an institutional pillar of the main opposition party complicates the achievement of objectives at both levels. Notwithstanding this, the regime considers both levels to be mutually reinforcing: a successful approach in the former will increase the likelihood of success in the latter, which will serve to further strengthen the move towards union democracy. The formal boundaries of the strategic interaction between the state and labor are consequently marked by the labor and labor-related legislation introduced by the government, the strategies adopted by the labor movement as initiatives or responses to government action, and the political interplay between labor, capital, the executive branch, and political parties on specific economic and social issues.

While the Radical administration appears to well understand the importance of union democracy and labor incorporation in the democratic consolidation process, it is confronted by serious structural obstacles. To begin with, it inherited the institutional remnants of the "Proceso"'s exclusionary program. This includes legal and organizational features such as the current law of Professional Associations (which was explicitly designed to break the organizational backbone of the Peronist labor movement), emergency decrees prohibiting union political activity and strikes (both universally ignored in the wake of the Malvinas), and a system of interventors who

controlled union property and finances (including the Obras Sociales). In addition, militarization of the Labor Ministry and the use of direct intervention in unions obviated many of the functional tasks normally assigned to labor administration, which consequently reduced the scope of its activities to little more than enforcing labor acquiesence to the exclusionary program.[72]

Beyond the authoritarian legacy, more formidable obstacles abound. Not the least of these is the "vertical" structure of the CGT, to which can be superimposed the obvious fiscal constraints imposed by the foreign debt repayment schedule. The former is, along with the armed forces, the government's foremost institutional adversary, even while the subject of a fierce intra-party dispute. This has produced a negotiating climate which is conducive to stalemates and logjams over seemingly minor issues. Even so, the process of labor democratization and incorporation remains a primary concern of the Alfonsin regime, as it is considered to be a central element in a larger project of social transformation that is designed to replace authoritarian institutions and attitudes with democratic equivalents.

The social transformation project accompanying the process of democratic consolidation involves, in general terms, the democratization of associational life in all of its guises. The notion behind this project is that years of arbitrary and authoritarian rule have inculcated authoritarian attitudes and structures in Argentine society. The task of promoting democratic frameworks across all aspects of social life is thus "fundamental not only for the Government, but for the entire country as well, since long periods of autocratic rule have prompted different social operators to also autocratic types of behavior."[73] In other words, broad-based substantive democratization at the associational level is crucial for the revitalization of society, as well as for the prevention of future authoritarian regressions. As we shall

see, with regards to labor administration itself, this means that the move towards union democracy and labor incorporation be accompanied, on an internal dimension, by a similar process of "democratization" within the state apparatus. This is all part of reforming the entire labor relations system in accordance with the social transformation project. In the words of Labor Minister Hugo Barrionuevo, the existing labor relations system is "inadequate, antiquated, and contradictory," and needs to be overhauled via a four-part program that includes "a restructuring and democratization of labor relations; an updating of its legal status, which includes repealing authoritarian and ineffectual norms but not automatically returning to previous laws; defining the labor instruments that will accompany economic policy and the mdoernization of the productive apparatus; and promoting greater efficiency in the Ministerio de Trabajo y Seguridad Social."[74] Hence, this is a three-tiered policy approach that combines short and long-term objectives involving two interrelated dimensions spanning multiple levels of operation.

The social transformation/democratic consolidation project envisioned by Alfonsin requires that the structure of the labor movement be democratized at two levels: representation (involving greater plurality and porportionality, both ideological and functional), and procedural guarantees (open, competitive elections, secret ballots, impartial oversight, etc.). However, this "horizontal" move, premised on the decentralization and diversification of syndical organizations, runs directly counter to the present union structure, and is therefore bound to encounter serious resistance on the part of the current union leadership. The "vertical" union framework was created by Peron in the 1940s as an agent of mass mobilization. Emphasizing ideological purity, centralization, and top-down channels of communication from national union headquarters to shop floor, it remains as the labor movement's greatest

source of strength, as it allows for the regular mobilization of human and material resources in defense of working class (and often partisan) interests at both the economic and political levels with one unified (Peronist) voice.[75] Unfortunately, this voice has often had an overt authoritarian tone, and has been accompanied by a high level of corruption and venality, backed by violence, on the part of the labor leadership.[76] Ultimately, though, the obstacles posed by the vertical union framework derive from the fact that it has been this framework that has allowed organized labor to survive repeated attempts at political and economic exclusion since the demise of the first Peronist regime. Thus it may well prove equally resistant to non-Peronist inclusionary attempts as well.

As a result, the task confronting the new democratic state in regards to the structure of the labor movement is to encourage labor's organizational strength at the peak association level while at the same time making it more representative and ideologically diverse through the use of democratic structures and procedures. Since the entrenched labor elites have considerable resources at their disposal, this presupposes a deliberate state bias in favor of approachable Peronist and non-Peronist currents in the union movement. This involves a most delicate "equilizing" role for the state, concretely manifest in the government's proposed labor legislation regarding basic rights of association and associational representation.

It is hoped that once democratized, the labor movement will become more interested in negotiating on non-partisan, rational grounds the terms of a democratic class compromise. The new regime would therefore like to preserve one national labor confederation (the CGT) as the peak association of the Argentine working class while legislatively re-structuring its internal organization in order to encourage the representation of independent union factions. This move towards union democracy thus involves an inclusionary

state corporatist framework (i.e. one that is highly interventionist and incorporative) that encourages pyramidal hierarchies of democratic representation in the constituent organizational components. Eventually, this should be reflected in an ideologically and functionally diverse array of openly elected labor representatives exercising legitimate decision-making authority at the national confederational level.

Using the need to replace the existing authoritarian labor legislation as an opportunity to rewrite the union charter, the government is also attempting to prevent the ressurrection of previous labor legislation that would consolidate the vertical union framework. The government's initial attempt ended in failure in February, 1984, when Congress rejected a draft bill of a new Law of Professional Associations that would have required minority representation at all levels of activity and a decentralized, "horizontal" federational structure. Then, in an effort to exploit divisions within the Peronist union leadership (and the fact that most labor leader's terms in office legally expired during the "Proceso") an attempt is being made, under International Labour Organization supervision, to electorally "normalize" the representational status of a wide array of unions.[77] It was believed that only after the representational status of all unions is "normalized" can progress in re-drafting the Law of Professional Associations be made. In late 1986 the electoral normalization occurred, with orthodox peronists gaining a slim majority over the renovadores in the CGT executive council. Even so, the cleavages between orthodox and renovating Peronists, coupled with the emergence of viable non-Peronist unions, have not precluded unified labor-support for the Peronist-drafted labor reform bill, which after extensive review and debate with Ministry of Labor officials and Radical Party legislators is now delayed in Congress.

Another aspect of this level of operation is the move to introduce a new strike law. In Argentina, mandatory state authorization for "legal" strikes has precedents dating back to the turn of the century, and has been used for both inclusionary and exclusionary purposes.[78] The present government wants to narrow the range of legal strike activity to those of a strictly economic or professional nature (wages and benefits, working conditions, and the like). It specifically wants to declare illegal those that are used to ex post facto modify existing collective bargaining agreements, as well as so-called "political" strikes. The former are considered to be violations of trust, while the latter are believed to be most often used as a partisan tactical ploy in order to destabilize the government by thwarting the implementation of economic and social policies, thereby increasing social tensions. For many official observers, the seven general strikes called by the CGT since Alfonsin was inaugurated have all been of the latter sort. Even so, strikes have virtually always had a political character in Argentina, as they are most often directed against the state rather than at employers per se.[79] Moreover, prohibitions on ill-defined political strikes -- whatever the economic merit they are judged to contain -- have been repeatedly used by every regime that has governed Argentina in this century. The task of regulating permissable strike activity is therefore another delicate issue. This task has now fallen to Congress, which is currently attempting to define the specifics of a new strike law based on recommendations made by the Executive branch. For the moment, the goal in Congress is to forge a multi-partisan consensus on the new law that will make it more palatable to the labor movement, something that is far more easy to advocate than accomplish.

Parallel to democratizing the syndical structure and redefining the legal scope of labor activities, the government has encouraged, at the other,

broader level of operation, labor incorporation in tripartite vehicles in relevant policy areas. This includes macro-economic policy areas such as public employment policy, where the CGT has been invited to discuss with the government and the private sector the impact that debt-conditioned rationalization and "privatization" efforts within the public sector have on the public work force. This includes discussion of possible I.L.O.-sponsored, tripartite-managed vocational training programs which could ease the transfer of labor to other economic sectors.[80] However, a profound lack of absorptive capacity on the part of the private sector makes these discussions particularly contentious, as it is clear that Argentine capital offers little in the way of employment alternatives for displaced labor, much less any prospect for a long-term solution. In other words, the sacrifices imposed on the public sector by the debt repayment conditions are disporportionately levied on the public labor force in ways that go beyond real wage levels or the elimination of public services, a fact not disguised by the use of tripartite vehicles.

A more fruitful area for the use of tripartite vehicles is that of union-operated social security and health programs. As mentioned earlier, the entire union-operated Obras Sociales network, now with financial assets worth 2.5 billion dollars, was taken over by military interventors during the "Proceso." Before that, it had been used by Peronist union leaders as a huge patronage system geared towards the illicit material gain of those involved. While the unions would like to return to the status quo ante, the government would prefer to centralize administration of the Obras Sociales under one public agency. Given this difference, and understanding that only the crudest form of revisionism would deny the need to fundamentally restructure the Obras Sociales (by imposing more rigorous accounting procedures on the

future management, among other things), especially since employers are required to contribute half of the operating revenues of individual Obras Sociales, tripartite negotiation is considered to be the most appropriate means for reaching a satisfactory agreement on the future organization of the system. In fact, as early as December 1983, the government authorized creation of a tripartite commission, to include representatives of the CGT, to study the normalization of the Obras Sociales. By provisions of the authorizing decree, this commission was formally made part of the Instituto Nacional de Obras Sociales (National Institute for Social Welfare or INOS), and was directly responsible to the Secretary of Health in the Ministerio de Salud y Accion Social (Ministry of Health and Social Action or MSAS.)[81] As we shall see later, this is part of the "democratizing" trend established within the state apparatus as well. For the moment it is important to note that below this national level similar tripartite negotiations on the subject of individual Obras Sociales are also encouraged, as complementary vehicles, between individual unions, specific employer groups, and provincial or municipal authorities.[82]

At an international level, this interest in tripartism has been most clearly evident in the character of Argentine participation in I.L.O. activities. Besides the invitation extended to the I.L.O. to oversee the union elections in the Fall of 1986, and possible I.L.O. participation in vocational retraining programs, the Argentine delegation to the 1986 International Labour Conference was comprised of senior representatives of the Ministry of Labor, other government agencies, various employer groups (particularly the Union Industrial and Conferencia General Economica) and the CGT (including the Secretary General and other leading syndical figures).[83] Given the I.L.O.'s long standing interest in promoting tripartism, and the

previous exclusion of non-government sanctioned labor representatives from the Argentine delegation, this points to strong government interest is promoting tripartite approaches to labor relations issues.

The most important tripartite vehicle, and which most closely resembles the archtypical notions of concertacion, is the Conferencia Economico y Social (CES). Announced by the President in 1985, the CES is designed to provide a forum in which representatives of the peak associations of capital and labor are joined by representatives of the branches of the state directly connected to each (specifically representatives of the Ministries of Economy and Labor) in order to address a broad range of macro-economic and social issues. Coupled with the use of tripartite vehicles in more specific (micro) policy areas, it is believed that this will provide a wider range of insitutional integrative mechanisms that in turn will help foster the process of substantive democratization. At the very least, it is believed that the formalization of such a tripartite dialogue is a considerable advance over the episodic, informal discussions that had taken place until then.[84]

The CES began with a series of short-term tasks that were deemed particularly appropriate for tripartite consideration. Foremost among these was reaching agreement on a reasonable range of salary increases within the parameters outlined in the Austral Plan. While the government reserved the right to impose salary increases by executive decree if necessary, it hoped that an agreement could be reached that provided criteria for negotiating a limited "band" of salary increases within a minimum "floor" and maximum "ceiling" established each quarter by the government.[85] As part of this agreement, it was expected that employers would agree to not raise prices during the time it was in effect, while labor would agree to refrain from taking subsequent "measures of force" over the terms.[86] It was hoped that

this would provide the basis for future collective bargaining in a wide array of economic sectors, the legal status of which formally remain in suspense until a new law of collective bargaining is passed.[87]

Beyond that, the previously mentioned strike law and union charter are considered to be excellent subjects for tripartite disucssion within the CES, as is the more immediate concern with the electoral normalization of unions. Elsewhere, the role of the CES extends to social welfare programs in general. The government proposes to reform the social welfare system on the basis of "three principles: generation of more resources for the system; a broadening of welfare services and improved redistribution of major resources; and government participation in accounting procedures."[88] Since this involves basic issues of taxation, incomes, and government jurisdiction, it includes discussion of greater participation by both labor and capital in administering various labor and social agencies, as well as public enterprises.[89]

In effect, the range of subjects that organized labor is invited to discuss through the CES and other tripartite vehicles is quite broad. It includes discussion of social security, income, vocational training, and public employment policy, as well as more specific issues related to investment policy, debt refinancing, domestic staple prices, and wage restraint in the existing inflationary climate. These are, in a sense, the terms upon which hinge labor incorporation in the democratic consolidation process.

Ultimately, the short term use of a highly interventionist approach on the part of the new democratic regime is designed to foster the establishment of a substantively democratic institutional network that frees labor and capital from non-economic concerns when negotiating the term of the class compromise. That is, the eventual success of tripartite mechanisms will

diminish their need to continuously negotiate non-wage and non-investment issues, and will thus allow labor and capital to more directly negotiate the economic terms of class compromise without the benefit of direct state mediation. This objective has been made very explicit by both economic and labor policy makers. According to a memorandum prepared by the Ministry of Economy in 1984, "(i)t is the intention of the Government to adopt, as soon as circumstances permit, a policy under which wage determination in the private sector would be left to direct negotiation between management and labor."[90] In broader perspective, the Labor Minister considers this to be part of the democratic consolidation process, since it proposes to "exploit the potential for social autonomy in the face of excessive state intervention (in order to) undo rigidities that block economic functions . . . Rather than anti-syndical or anti-business, the government's proposed reforms are designed to define the protagonic roles that both social sectors should have in a democratic society."[91]

The nobility of these objectives notwithstanding, the CES has so far proven to be mixed success. After several earlier walkouts, the CGT formally abandoned the tripartite dialogue in June, 1986, in the wake of a government ordered salary readjustment. Subsequent initiatives to reach some form of "Pacto Social" have foundered on the shoals of sectoral intransigence. Labor continues to use its strike capacity as a political weapon. And yet, the push for tripartite negotiation has produced some notable successes. This seeming contradiction is best explained by the internal situation within the CGT, which is anything but normal.

The CGT most recently divided on strategic and generational grounds in 1983, during the initial process of re-democratization A younger generation of Peronist unionists, represented by such as the current Secretary-General of

the CGT, Saul Ubaldini (a former brewery union officer), adovcated a more confrontational (militant) posture with regard to the outgoing military regime. The older generation of Peronist leaders, led by Lorenzo Miguel of the Metalworkers Union, preferred a more negotiated strategy in order to align the CGT more favorably with the outgoing regime (perhaps in an attempt to secure a favorable outcome in the elections or in the event of an authoritarian regression). Identified by the streets on which their respective headquarters were located, the "dialoguist" CGT-Azopardo and "confrontationist" CGT-Brasil (as the two factions were known) engaged in a struggle for the loyalty of Peronist unionists that continues to this day.[92] One short-term effect of this struggle was the electoral defeat of the Peronists in the 1983 elections, since many disenchanted unionists opted to support Radical Party candidates rather than their traditional political patrons. Today Ubaldini and Miguel continue to play the principal parts in the ongoing feud, to which can be added a strong reformist ideological current and the presence of non-Peronist unions of considerable significance. Reformist Peronist unionists, more democratic in orientation than the leaders of either of the CGT factions encompassed in the so-called "62 Organizations," have begun to infiltrate both these and the independent unions. Their presence is most evident in the so-called "25 Organizations" of the "renovating current." More significantly, their ties with the reformist branch of the Peronist party has created a new current within the Peronist movement which is strongly felt in Congress (most often in the tone of discourse during debate about proposed labor legislation, less in the tabulation of votes).

To these new faces can be added, often in the same union, those of Radical and Intransigent Party loyalists such as those who share control of the "25 Organizations," and who dominate the "group of 20" independent unions.

These and other independent unions include over thirty percent of the total union membership, and cover strategically important sectors such as those representing public education and health workers, commercial bank employees, and various private enterprises.[93] Many of the independent unions have especially strong ties to the most militant factions of the non-Peronist parties, including the Franja Morada movement in the Radical Party (which is also particularly strong among university student groups, who constitute the intellectual counterparts of the younger labor generation), and the militante wing of the Intrasigentes. In fact, the presence of extremists within the latter has caused some Peronist labor leaders to voice concern that it is being used as a vehicle to "smuggle Montoneros back into the labor movement."[94]

In any case, with the labor movement so divided, the task of union electoral normalization and re-drafting of the union charter have become foci of immediate attention. While internal posturing within the CGT, the Radical Party, and Congressional stalemates of both the procedural and substantive variety have slowed progress on both fronts, the government persists in its effort to accomplish its mission of labor restructuration. More importantly, the factionalization of the labor movement has allowed the government to achieve its first victories in the labor field, and has opened the door to further tripartite collaboration in the future.

This is because the government was prescient enough to have a two-pronged strategy for negotiating with the CGT. First came the invitation to negotiate the salary adjustment measures within the CES. In the event of the expected failure of this approach (due to CGT intransigence), the second option called for a salary adjustment (along the lines stated earlier) via decree, which opened the way for more individualized negotiation in various economic

sectors. This was designed to take advantage of the fact that, because of the internal dispute within the CGT, organized labor had not one spokesman, "but close to 500, which was also the approximate number of outstanding collective bargaining agreements."[95] Moreover, the general parameters of the salary adjustment were worked out by a "technical commission comprised of lawyers from the ministries of Labor and Economy, from the business organizations invited to the CES (the Union Industrial and Conferencia General Economica), and from the directive council of the CGT. It was the result of the common effort of lawyers from the three sectors."[96] Hence, prior tripartite agreement strengthened the claim to legitimacy of the salary readjustment decree, which was implemented as such only after the CGT withdrew from the CES. In fact, the CGT had initially agreed to the terms of the salary adjustment package, with the exception of one clause inseted by the business representatives specifying that wage increases could not be directly translated into price increases.[97] When the CGT, using an internal logic of its own, walked out of the CES for reasons that clearly lie outside the purview of CES concerns, the package was implemented by decree.[98]

This strategy calculated correctly, as most unions opted to negotiate on the basis of the government offer. Hence, respecting the limits of the adjustment package, "57 percent of all private workers were able to have their salaries adjusted, as 70 unions representing 2.3 million people reached agreements."[99] Moreover, virtually all of these contracts contained "social peace" clauses that committed the unions to refrain from striking for the duration of the agreement.

Among the unions that took advantage of the opportunity to "sincere" their salaries was the Metalworkers Union headed by Lorenzo Miguel (as well as several other major unions such as the Textile and Plastics Unions). Most of

the unions loyal to Ubaldini refused to negotiate (particularly those representing employees in the public sector) , and now lag behind in terms of real wage levels. This has bred resentment against the Secretary-General, which in turn is viewed as a tactical opening that his rivals both within and without the union movement can exploit. Miguel even went so far as to thank the Minister of Economy for his role in drawing up the adjustment package, a remarkable gesture in light of the strained relationship that post has traditionally had with the labor movement. This also points to fundamental differences in the strategies adopted by the different CGT factions: Miguel prefers to talk to the government (much as he had during the early stage of re-democratization) in order to secure piecemeal concessions, while Ubaldini (following his previous strategy) prefers to talk -- a la Peron, some say -- to the masses.[100] The differences between the two strategies ultimately boil down to different notions of leverage based on opposing perceptions of the advantages accrued by cooperative or confrontational approaches.

The importance of attracting the support of influential unions such as the Metalworkers has long been understood by Argentine governments.[101] Even critics of the Alfonsin regime see the value of this strategy, since "the metalworkers union carries out a directive function in the industrial economy. It serves as an example for other unions, sweeping by virtue of demonstration effect other occupations of a diverse nature, and determines labor cost levels and prices in a number of related activities."[102] Hence, the approval of the government's salary adjustment package given by the Metalworkers eased the way for other Peronist union's acceptance of the decree. Moreover, it offered mutual benefits to both sides: the government gained support within the CGT, while the "dialoguist" faction saw its position strengthened vis-a-vis the "confrontationalist" bloc. Abetted by the challenges of non-Peronist unions,

this has intensified competition within the CGT, since the very representativeness of the present leadership is open to serious question.

Under the terms of the salary adjustment decree, tripartite collective bargaining has been undertaken in both the public and private sectors with considerable success. For example, a salary adjustment commission made up of representative of the ministries of Labor and Economy, Secretariat of Public Affairs, Secretariat of Public Enterprise Control, Civil Service Union, and the State Workers Association established the rates of readjustment for a variety of occupational categories within the civil service.[103] Similar arrangements have been used extensively in the private sector. In fact, roughly half of the new private sector agreements involved tripartite negotiation, while the other half were reached without state mediation. In this sense, the regime's longer-term objective of restoring the autonomy of labor and capital is gradually being achieved (at least partially, and for the moment).

It is believed that wide acceptance of the salary adjustment decree, direct labor-capitol negotiations, and the increased factionalization of the Peronist union leadership all have a salutory effect on the labor relations system, and are thus the first steps in the democratic incorporation of Argentine labor. According to a former Assistant Secretary of Labor, now " . . . it is possible to abandon (the practice of) centralized intervention in salary negotiations, and move on to a system of autonomous negotiation. The very nature of labor conflicts will therefore change. Rather than superpolitical confrontations without resolution, a move has been made towards a situation that is more typical of any industrial society, where the negotiators are the principals in labor relations, and where the State assumes a secondary role."[104] Coupled with the erection on tripartite institutional

mechanisms in related policy areas, these are considered to be the necessary institutional conditions for the achievement of democratic class compromise. If so, it is possible that the democratic consolidation/social transformation process is beginning to take root, which would be a major step forward in the history of Argentine class relations.

In sum, the condition of the labor movement has allowed the Alfonsin regime to take the initiative in determining the nature of the strategic interaction between government, capital, and labor. While ultimately incorporative and positive sum in orientation, this approach has promoted outcomes that reinforce a decentralizing and diversifying trend within the labor movement. In this respect, it shares a policy approach with the military-bureaucratic regimes that have preceeded it, since for both, elimination of the vertical union framework is considered to be a necessary condition for the successful implementation of labor policy. The difference between the two approaches, however, is more substantial: the current approach is inherently inclusionary, and thus premised on a positive conceptualization of the role labor plays in Argentine society, while the military-bureaucratic approach, as is now well known, was premised on an extremely negative conceptualization of labor's role in society, and hence was profoundly exclusionary.

Thus, on an external dimension, the Alfonsin regime is attempting to offer, as an incorporative vehicle, institutionalized tripartism based on inclusionary state corporatist schemes of interest group intermediation which emphasize inducements for cooperation (rather than constraints on interest group activities). This approach encourages pyramidal, decentralized, diversified, and autonomous representation within the peak associations of major interest groups, a feature which is considered to an essential part in

the move towards substantive democracy. Eventually, it is hoped this will allow for direct labor-capital negotiation of the economic terms of the class compromise, with tripartite mechanisms providing the broader institutional network in which that can occur. This is not to say that the process is foolproof, near completion, or not susceptible to reversal. External constraints in the form of the debt climate make the outcome particularly difficult to achieve. The point is that Argentine labor is now at a critical historical juncture, as it looks for a second generation incorporative vehicle to replace the outmoded, populist-authoritarian, inclusionary state corporatist framework. While the CGT can still marshall considerable resources in pursuit of constructive, obstructive, or destructive goals (depending on which factional perspective is dominant), it is clear that it no longer enjoys the near-universal credibility of yore, and is susceptible to change at the hands of both external and internal forces. It is precisely this window of opportunity that the government is trying to exploit, in order to bring about the institutional transformation that is essential for the success of the democratic consolidation process.

One final irony is worth mentioning. As we have seen, the labor movement is currently undergoing a major restructuration, one that is designed to make it more democratic and responsive to the needs of society as a whole. Conversely, while Argentine capital has plenty of institutional stability to offer in support of the social transformation/democratic consolidation process, its interest in the project and reliability as a social partner are by no means certain. Instead, it is clear that a large fraction of the financial and industrial bourgeoise (to say nothing of the landed elite) believe that rationally calculated grounds of material self-interest advise them to invest elsewhere. The Argentine working class has no such choice of

course. Thus, the Argentine government must provide appropriate incentives and disincentives in order to encourage Argentine capital to invest at home, since domestic (re) investment is an essential condition for the achievement of a democratic class compromise. Obviously enough, this a major concern of labor as well. Yet structural conditions mitigate against this is ways that transcend the field of labor relations. For example, agricultural interests resist domestic staple price ceilings that are pegged below the international market rate, and have little concern for their impact on domestic wage scales (since the nature of their product is not labor-intensive). However, for a majority of industrial capital as well as urban workers, the government's ability to overcome agro-sector resistance to staple price ceilings is crucial for determining wage scales. The government, in turn, is heavily dependent on agro-export revenues for public financing, and can therefore ill-afford to provoke the export sector into adopting destabilizing tactics (such as withholding crops from market). Under such conditions, industrial capital prefers to invest elsewhere, in countries where structural conditions are more favorable. These cross-cutting interests have long rested at the heart of the Argentine quandry, and are what will ultimately determine whether the new democratic regime succeeds or fails.

Even so, the Alfonsin regime has shown a capacity to explore several new avenues that are conducive to the achievement of a democractic class compromise in Argentina. We have seen how it has approached the external dimension of national labor administration in pursuit of this goal. It is now time to turn to an examination of its approach to the internal dimension that is a necessary complement to the external approach. This internal dimension is constituted by the structure of the state apparatus itself, and

particularly the branch directly responsible for administering organized labor interests.

## VI. The Internal Dimension

### Structure

Shortly after assuming office, the Radical government reorganized the state apparatus. It began by passing a new Law of Ministries (Law 22,520/10 December 1983) which reduced the number of cabinet level portfolios to eight, and which moved to functionally rationalize the division of labor within the public sphere. The rationale behind this reorganization was twofold: first, to overcome the negative structural legacies inherited by the new democratic regime, which were the product of the cumulative effects of the preceeding populist authoritarian and military bureaucratic periods. Second, to promote a form of national state organization that is conducive to democratic government and modes of interaction throughout civil society. The arbitrary and highly discretionary nature of the state's role under the preceeding three regimes (dating back to 1966) required a major overhaul of its basic organizational framework, including a major reformulation of the division of labor within it.

As part of this reorganization, all labor-related activities, now defined so as to include labor welfare responsibilities, were place under the jurisdiction of the Ministerio de Trabajo y Sequridad Social (Ministry of Labor and Social Security, or MTSS). The MTSS was delegated general responsibility for implementing -- but not formulating (a point we shall return to later) -- labor policy nation-wide.[105] Thus, among the primary duties of the MTSS are registering and regulating the activities of officially recognized unions, mediating and arbitrating labor disputes, approving and

mediating (where pertinent) collective bargaining agreements, enforcing safe working conditions, and administering union-related social security programs.[106] In this fashion the corporative and interventionist character of Argentine labor administration has been reaffirmed. This follows a well-established trend throughout Latin America.[107]

The organization of the MTSS, as the lead agency in the national labor administration system, reflects the regime's intention to "democratize" the public sphere. This is structually manifest in efforts to functionally compartmentalize and horizontally diversify the various tasks assigned to the MTSS. The external responsibilities of the MTSS (that is, those that involve direct contact with the labor movement), are divided between two functionally -defined "cylinders," each headed by a Secretariat that is directly responsible to the Minister of Labor and Social Security (the term "cylinder," rather than "branch" is used to give more dimension to the concept, as it accounts for roles and patterns of internal interaction that more linear descriptions overlook). The Secretaria de Trabajo (Secretariat of Labor) is charged with all those functions related to labor relations per se, while the Secretaria de Seguridad Social (Secretariat of Social Security) is responsible for overseeing labor-related social welfare tasks. On the internal side (that is, at the administrative level), the Secretaria de Administracion y Coordinacion Tecnica (Secretariat of Administration and Technical Coordination) is responsible for the daily operation of the MTSS, including all management, personnel, and logistical responsibilities. Each functional cylinder contains a Secretary, Assistant Secretary, National or General Directorates (depending on whether they are external or internally-oriented, respectively), Directorates, Departments, Divisions, and Offices. Each hierarchical level corresponds to an increased degree of functional

specialization. Normal vertical hierarchies apply within each cylinder, with horizontal interaction occuring between similarly ranked agencies. More broadly, horizontal interaction between the different cylinders occurs at the level of Secretariat, which in all cases answer directly to the Minister's Office. The latter contains a number of advisory agencies, including legal counsel, several technical advisory bodies on specific labor-related subjects, and the Office of International Affairs, which is the main point of contact with other government labor agencies and international organizations such as the I.L.O. More importantly, there exist several "Technical" Secretariats staffed by political appointees which serve as part of the Minister's senior staff.

The division of responsibilities within each cylinder further demonstrates the regime's effort to compartmentalize and decentralize the labor relations system. Within the Secretaria de Trabajo several agencies stand out. These include the Direccion Nacional de Asuntos Gremiales (National Directorate of Union Affairs), which is responsible for maintaining a register of legally recognized unions, supervising union elections, and conferring or withdrawing the legal status of unions at all levels of activity. The Direccion Nacional de Trabajo (National Directorate of Labor) is charged with all mediation and arbitration duties, enforcing strike legislation, and other juridical responsibilities involving labor grievences, both individual and collective. This includes responsibility for maintaining, in cooperation with provincial authorities, a nation-wide system of Tribunales de Trabajo (Labor Tribunals) in which worker grievences can be heard in the first instance. The other main agency in the external cyclinder is the Direccion Nacional de Recursos Humanos y Empleo (National Directorate of Human Resources and Employment), which is responsible for overseeing all

federally-funded vocational training, professional classification, rehabilitation, and research activities in the labor field. This includes monitoring the labor market in general, work force levels, sectoral distribution, unemployment, and labor migration patterns.

In the social security cylinder, a similar division of responsibilities is evident. One primary agency is the Direccion Nacional de Hygiene y Seguridad Social (National Directorate of Health and Social Security), which is responsible for all work-related health programs. This includes inspection duties to ensure industry compliance with safe work standards, research oriented towards improving health and safety conditions in the work place, rural health issues (such as vaccination campaigns for agricultural workers in tropical regions, administered in conjunction with the MSAS), and all other activities connected with the working environment, or which are designed to improve the physical condition of the working population (as part of a larger effort to increase national productivity). Another important agency is the Direccion Nacional de Seguridad Social (National Directorate of Social Security or DNSS), which is responsible for overseeing the national social security system, including health, leave, and pension benefits that are at least in part funded by wage deductions. More specific to union concerns, this includes a major role in administering the Obras Sociales, since the state's portion of funding to these union-operated programs is split between the DNSS, INOS, and the MSAS. Because the bulk of labor-state interaction currently revolves around issues addressed by the labor-related cylinder, the social security cylinder is more insulated from political pressures. In other words, the nature of current labor-state interaction, which revolves around issues addressed by the labor relations cylinder, allows for a higher degree of operative autonomy in the social security cylinder. This gives the

external side of Argentine labor administration a two dimensional character based on the different levels of autonomy achieved by the two externally-related branches. More generally, the functional compartmentalization of responsibilities within the external branches not only assures a more equitable division of labor within the MTSS, it also encourages a similar organizational response from organiz d labor (since no one agency can address the full scope of labor demands).

The administrative cylinder, as mentioned before, encompasses all those agencies assigned internal administrative functions, including supply, comptroller, and personnel-related duties. AS such it is well insulated from external pressures.

The jurisdiction of the MTSS is national in scope, although the government prefers to allow municipal and provincial authorities precedence in addressing labor issues within their respective jurisdictions. Regional delegates overseen by the Secretary of Labor serve as points of contact with local labor authorities. The MTSS continues to serve as the national implementory body in the labor relations field, and as such is the agency of last recourse in the national labor administration system (beyond which the courts are required to intervene directly). This reflects the regime's commitment to the federal parameters of the Argentine constitutional system, and is in marked contrast to the superordinate role played by national labor authorities under the previous regime.

More significantly, while it has a wide array of implementory duties, the MTSS has no formal responsibility for formulating labor policy. That task falls to the President and Congress, with specific issues being addressed by the aforementioned tripartite organizations, particularly the CES (which is officially part of the executive branch). As such, the MTSS shares positions

in the CES with representatives of the Ministry of Economy, business organizations, and the CGT, plus the Presidency and Congress. This heterogeneous group bring their different perspectives and experience to bear on the discussion of labor policy, from which emerge (albeit often sporadically, depending on the attitude of individual participants at particular points in time) specific decisions that are implemented by the MTSS. It was in this fashion that the MTSS became the primary instrument through which the salary adjustment package agreed upon in the CES was translated into concrete agreements in a variety of economic sectors.

This organizational framework is designed to encourage labor to voice comprehensive demands within the confines of the CES, with more specific concerns handled by a technically and legally defined network of specialized agencies. In this way, it is believed, consensus agreements reached in the tripartite forum can be disspassionately implemented, without partisan interference, by neutral and autonomous state agencies.

A significant aspect of this institutional framework is the proliferation of non-elected representatives of the social partners within the CES. For the most part labor lawyers or specialists in labor-related social security and health issues, these sectoral appointees serve as the permanent staff and executive body of the CES. Outnumbering the elected representatives of capital and labor as well as cabinet and other upper-level officers, these appointed positions, porportionately divided among the three partners, comprise the core of state managers responsible for supervising and mediating negotiations over the terms of the class compromise. The appointed nature of these positions is designed to place them beyond both overt partisan concerns and factional disputes within each sector. This ostensibly endows them with a measure of formulative autonomy which, when added to the normative autonomy of

the implementory branches, gives the state sufficient "distance" -- and perspective -- vis-à-vis both labor and capital when administering the terms of the compromise.

Another interesting aspect of this organizational approach is that it closely parallels, with some modifications, the framework erected by the Frondizi limited democratic regime of 1958-1962. That regime, which also had Radical origins, was the first Argentine regime to attempt to functionally compartmentalize and decentralize national labor administration in an effort to promote a degree of institutional neutrality and autonomy that would be conducive to cordial class relations, if not democratic class compromise. This effort was replicated by the Radical regime headed by Arturo Illia from 1963 to 1966.[108] Since then, although certain structural traits were preserved and/or periodically resurrected by the succeeding military bureaucratic and populist authoritarian regimes, this general framework was abandoned in favor of organizational schemes that were deemed to be better suited for their different labor projects (of the populist authoritarian, inclusionary corporatist or military bureaucratic, exclusionary corporatist variants). The return of democracy has therefore brought with it another attempt at a neutral, technically-defined approach to national labor administration. However, rather than merely repeat the cycle, this attempt also includes the use of tripartite policy formulation mechanisms as major agents of non-partisan incorporation. In this sense, it is not only vastly different from the labor projects of the preceeding authoritarian regimes; it represents a significant departure from previous democratic practice in Argentina as well.

Budget

Comprehensive budgetary information for the MTSS since 1983 is virtually impossible to obtain, especially below the cabinet level. However, while incomplete, a general budgetary picture for 1984-1986 is available, and thus offers a basic indicator of the regime's approach towards national labor administration. The information is both surprising and revealing, as 0.77 (1984), 0.975 (1985), and 0.97 percent (1986) of central administrative expenditures have been directed towards the MTSS and related agencies.[109] While a small fraction of the total central administrative budget, these figures are significant for two main reasons. First, with limited material benefits to distribute (unlike agencies primarily charged with the provision of public goods, such as the MSAS), most of the budget is consumed by personnel costs, administrative necessities, and the state contribution to union social security programs administered by the Secretaria de Seguridad Social. Second, even while the number of people employed in the MTSS and related agencies is relatively low when compared with other branches of the state, it would appear that most are occupied in well-paid technical positions. This means that the level of expertise required for employment in the MTSS is relatively high, and thus comparatively well renumerated, which would support Offe's inference that recognized specialization among state managers is important for the autonomy of the democratic state. Most important of all, these figures represent the highest percentage of central administrative expenditures allocated to national labor administration in over thirty years, since the last budget formulated by the first Peronist regime (which had organized labor as its main support base). A comparison with the previous eight regimes reveals the magnitude of this increase (See Table 1). Even if we factor in the large cuts in defense-related expenditures undertaken

by the Alfonsin government, the oppositional position of organized labor in the current regime and the financial constraints imposed on the public sector by the debt repayment schedule make this outlay all the more remarkable. In effect, it appears that the budgetary re-emphasis awarded this policy area represents an institutional manifestation of the regime's understanding of the importance of labor incorporation in the democratic consolidation process.

Personnel

The government's intention to instill a measure of neutrality and impartiality in national labor administration is evident in its appointment of upper-echelon personnel. Two of the three Labor Ministers appointed to date, Antonio Mucci and Hugo Barrionuevo, are former independent unionists with ties to both the Peronist and Radical Parties. Mucci's tactical mistake of proposing to push for a new Law of Professional Associations immeditely after Alfonsin was inaugurated cost him his job in early 1984 (after the Peronist-controlled Senate rejected his draft bill). Barrionuevo represented the same currents advocated by Mucci, to which can be added a more diplomatic personality. His obvious lack of authority relative to other cabinet officers (particularly the Minister of Economy) and unrepresentative status in the eyes of the labor movement forced him to resign in April 1987. His replacement, Miguel Alderete, is past president of the Utility Workers Union Luz y Fuerza, and a leader of the orthodox Peronist faction in the CGT. His appointment was designed to boltser the government's support for the Ortodoxos in the inter-union disputes while simultaneously providing the first concrete evidence of the government's interest in co-participation. However, given the superordinate position of the Ministry of Economy in the cabinet, this may well be little more than a symbolic gesture that was designed more to deepen the Peronist divisions prior to the September 1987 congressional and

gubernatorial elections rather than allow for the incorportion of a significant segment of organized labor in the policy-making process.

Beneath the cabinet level, expertise in labor affairs and/or legal training in labor relations dominates the backgrounds of incumbents in important posts. The previous Secretary and Assistant Secretary of Labor, Roberto Bigatti and Jose Armando Caro Figueroa, are lawyers with extensive experience in labor affairs. Their successors are union lawyers of the orthodox Peronist current, of them all Caro Figueroa provides a fascinating insight into the government's approach to labor policy.

Son of a former Peronist Senator, Caro Figueroa spent several years during the "Proceso" in voluntary exile in Spain. There he worked as legal advisor to the socialist labor federation, the Union General de Trabajadores (UGT), and as such was actively involved in formulating that federations' approach to the first socioeconomic "pact" achieved by the restored Spanish democracy (the Pacto de Moncloa 1977). For this, coupled with his personal background, he has come to be known as an "Europeronista" (Europeronist). As Assistant Secretary and later Secretary of Labor, he was considered to be a primary architect of the government's labor policy, and particularly the effort to institute tripartite vehicles for labor incorporation into the democratic consolidation process. His presence also weighed heavily within the MTSS, where he had direct control of the labor relations cylinder and over the labor legislation subcommittee in the Chamber of Deputies.[110] Such influence was not always appreciated. According to a CGT declaration, this approach "is inspired by experiments and legislation of undoubtable European origins (as part of) a conditioned (process of) development which has failed to diagnose and treat new social phenomena."[111]

Even so, it is also apparent that significant parts of the labor movement see the appointment of such individuals in positive light. Many unionists consider MTSS personnel as their main allies in the Executive branch. "Syndical sources estimate that two positions exist. . ." on matters of labor policy: "that of officials in the Labor and Interior Ministries, which are flexible in regards to the salary question, and which are not compatible with the rigid posture of the Ministry of Economy."[112] Thus, "Barrionuevo and Troccoli (the Interior Minister, and another indivdual with strong ties to labor), among other officials, are considered to be more permeable by syndical demands."[113] This clientalistic orientation has translated into differences on basic questions such as wage adjustment policy. While the MTSS favors quarterly increases tied to the cost of living, the Ministry of Economy prefers trimesterly adjustments with fixed ceilings, since it believes that the MTSS position is conducive, rather than contrary to inflation.[114]

The effort to establish personal bases for a reapprochment with organized labor is also evident in the appointment of German Lopez as Secretary-General of the Presidency, which is the closest advisory position to the President. Prior to his dismissal in June 1986 in an unrelated scandal, Lopez was an active participant in the labor scene, and has long-standing (although often acrimonious) ties to the Peronist Party. Among many other positions, he has previously occupied posts in the Labor Ministry under Frondizi and Illia. Another position in which the government's approach towards labor is evident is that of Secretary of State (not to be confused with the U.S. position), which is part of the President's executive council. Leonardo Dimase, the current occupant, is a distinguished academician who previously wrote extensively about labor issues and published the Informes DIL, a monthly newsletter dedicated to the subject. Known for his sympatheic ties to the

unions, he provides a major point of contact between the President and the CGT leadership (and in fact has set up several direct meetings between the President and various union leaders).

In both the Social Security and Administrative branches, the criteria for selection hinges on educational or practical training. Thus, the administrative cylinder is staffed by career public servants and accountants, while the social security branch contains large numbers of health service administrators and medical doctors. This is carried over to the INOS, where the original director, Jorge Mera, is a medical doctor who has written extensively about the Obras Sociales and the need for reform in the social security system. Only in the Secretarias Tecnicas is overt partisan content dominant, and lately has shifted from a Radical to an orthodox Peronist character.

The basic point is that, given the importance of personal ties in Argentine politics, the appointment of these individuals is a clear move to give national labor administration a sympathetic, yet bi-partisan character. This relative neutrality and high levels of experience are considered to be integral steps in establishing a measure of institutional autnomy within national labor administration, and currently give policy implementation its (ostensibly) "apolitical" character.

## VII. Conclusion

From this review, three things should be evident. First and most obviously, regime type (and regime change) has a significant impact on public policy, particularly in "core" areas of state activity such as interest group intermediation. Second, this impact is manifest on two interrelated dimensions. On a external dimension, the content of public policy shifts, as

Ozslak and O'Donnell theorized several years ago, according to the different regime objectives in specific policy areas. In the case examined here, the shift was from an exclusionary to an inclusionary state corporatist approach towards national labor administration, to which can be added the particular nuances that differentiate this latest attempt from previous populist authoritarian experiments with inclusionary corporatism. On a internal dimension, which is more often overlooked, the structure of the state apparatus in important policy areas also shifts in order to better pursue external policy objectives. In fact, reorganization of the state apparatus, at least in modern Argentina, is an integral part of regime change, as it is considered to be a necessary complement to, when not prerequisite for, major shifts in public policy.

Third and most importantly, it is clear that the institutionalization of class compromise is a fundamental block in the process of democratic consolidation that follows the transitionary period of re-democratization. Though the strategies and specific institutional mechanisms may vary from democratic regime to democratic regime and country to country, the democratization of class relations in dependent capitalist societies ultimately revolves around two linked axes: participation of labor in national political and economic decision-making. The issue of political participation is addressed through the re-vitalization of associational life among the working classes, paticularly in regards to their collective agents and political representatives. The issue of economic participation revolves around the hard choices involved in negotiating mutually satisfactory wage versus investment strategies. We have seen that the present government in Argentina has attempted to promote both fronts by using an approach based on the belief in tripartite cooperation among democratically choosen (and

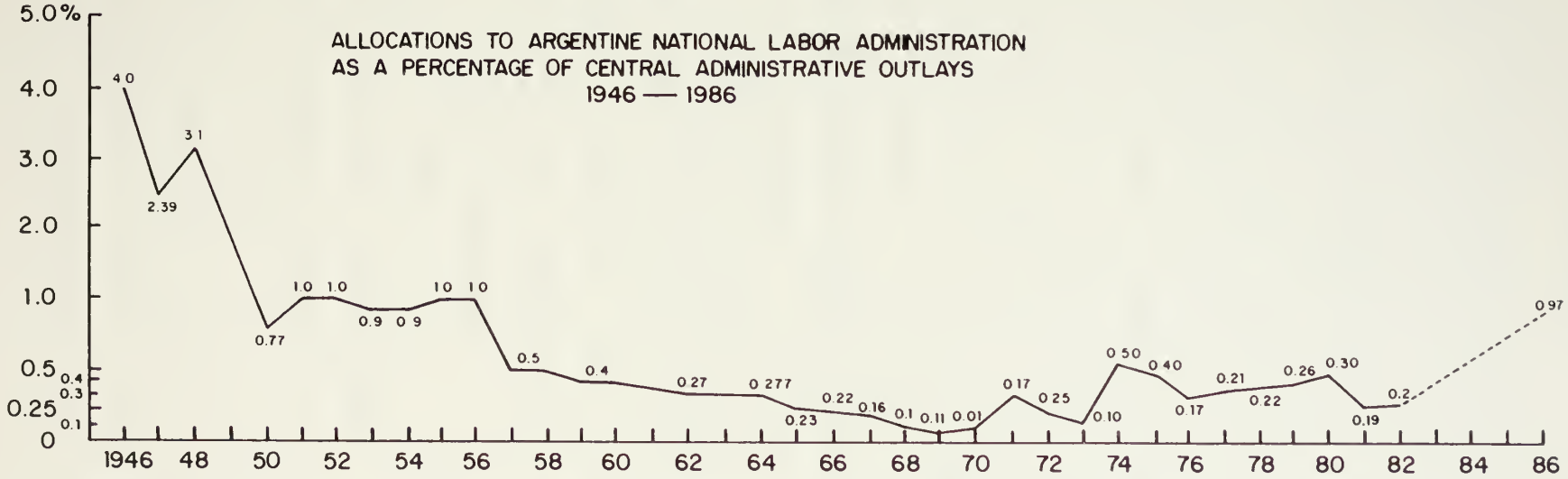
hence authentically representative) peak associations of major interest groups, complemented by partisan competition between traditional political parties. Despite the problems involved in promoting such an arrangement, it is clear that the newly democratic Argentine state must provide the institutional framework in which negotiation of the economic terms of the class compromise can occur, and thus must take the lead in promoting the process of democratic consolidation. This is because in the end, these economic terms, political arrangements, and related institutional conditioners all depend on the state as an ultimate enforcement agency. More importantly, these elements together constitute the structural bases of a democratic class compromise.

We have seen that the process of institutional democratization is now underway in Argentina. However, its future is by no means assured: witness the repeated calls for nation-wide strikes issued by the CGT, the revelation of a major bank scandal involving government insiders who attempted to circumvent the limitations imposed by the Austral Plan, and what is most worrisome, an increasingly generalized belief that the Austral Plan has failed (which opens the way for the resumption of traditional egotistic competition between sectoral interests).[115] Hence, with external and internal conditions mitigating against economic stabilization and interest group cooperation, the government's well-intentioned effort at labor incorporation may simply not be enough. In that case, the stage is set for a return to the zero-sum economic and political competition -- and authoritarian solutions -- that have dominated Argentina during the last half century.

In order to not end on a cynical and pessimistic note that many would consider to be tipicamente Argentino, let me restate the importance that the split within the Peronist movement has for the process of democratic consolidation. The emergence of non-authoritarian currents within Peronism,

including the labor movement, offers Alfonsin the opportunity to press his case for institutional democracy in a way his predecessors could not. Combined with the traumas of the last decade, generational change, and the emergence of new social movements such as feminism, environmentalism, and pacifism, this may well be the moment of transition from procedural to substantive democracy in Argentina. The question to end with is therefore the following: which way is Argentina going to go? Will it return to the melancholy cycle of political instability and violence, as if it were some nostalgic tango to be replayed endlessly on a well-worn vitrola? Or will it learn from the past and open itself to the possibilities of the future, in which new steps and patterns of interaction create the conditions for an equitable and egalitarian social dialogue? It is these questions that lie at the heart of this attempt at democratic consolidation. For the moment, it remains to be seen if the country has learned to step in tune to the new compás.

TABLE 1




Average : 0.6%

After 1950 : 0.4%

After 1960 : 0.24 ; After 1970 : 0.28%

Regime Type

- Populist : 1.54%
- Democratic : 0.30% (before 1983); 0.39 (after 1983)
- Military : 0.20%

1946 - 1950 average : 2.6%

1950 - 1960 average : 0.77%

1960 - 1970 average : 0.22%

1970 - 1982 average : 0.25%

1970 - 1986 average : 0.28%

Allocations in current pesos from General Funds destined for Central Administrative Agencies cited

Source : Presupuesto General De La Administracion Nacional, for years cited

La Nación, February 10, 1986 pp 1-2 (for 1986)

FOOTNOTES

[1]Paul G. Buchanan, "The Varied Faces of Domination: State Terror, Economic Policy, and Social Rupture during the Argentine 'Proceso,' 1976-1981," American Journal of Political Science, V. 31, N. 2 (May 1987).

2The literature on re-democratization in Latin American has grown exponentially over the last five years, and cannot be cited in full here. A good overview of the major points addressed by this body of work can be found in C. Acuña, and R. Barros, "Issues on Democracy and Democratization: North and South. A Rapporteur's Report," Kellogg Institute Working Paper N. 30 (October, 1984); G.A. O'Donnell, "Notas para el estudio de procesos de democratización política a partir del estado burocrático-autoritario," Estudio CEDES , V. 2. N. 5 (1979); O'Donnell, P. Schmitter, and L. Whitehead eds., Transitions from Authoritarian Rule: Southern Europe and Latin America (Johns Hopkins University Press, forthcoming); A. Przeworski, "Some Problems in the Study of the Transition to Democracy," Working Papers of the Latin American Program, Woodrow Wilson Center for Scholars, N. 61 (Washington, D.C., 1980); K. Middlebrook, "Prospects for Democracy: Regime Transformation and Transitions from Authoritarian Rule," Working Paper N. 62 (1980); Middlebrook, "Notes on Transitions from Authoritarian Rule in Latin America and Latin Europe," Working Paper N. 82 (1981); R. Scholk, "Comparative Aspects of the Transitions from Authoritarian Rule," Working Paper N. 114 (1982); K. Remmer "Redemocratization and the Impact of Authoritarian Rule in Latin America," Comparative Politics, V. 17, N. 3 (April 1985), pp. 253-276; E. Viola and S. Mainwaring, "Transitions to Democracy: Brazil and Argentina in the 1980's," Journal of International Affairs, V. 38, N. 2 (Winter 1985), pp. 193-219; C. Gillespie, "Review Essay: From Authoritarian Crises to Democratic Transitions.

Latin American Research Review, V. 21 N. 3 (forthcoming); and, for a study of the role of social movements in these processes, Viola and Mainwaring, "New Social Movements, Political Culture, and Democracy: Brazil and Argentina in the 1980's," Telos, N. 61 (Fall 1984). For a more descriptive survey, see the special issue of Government and Opposition, V. 19, N. 2 (Spring 1984), titled "From Authoritarian to Representative Government in Brazil and Argentina."

[3]Besides the now classic work by G.A. O'Donnell, Modernization and Bureaucratic Authoritarianism: Studies in South American Politics. Berkeley: Institute for International Studies, University of California, 1973, good examinations of military-bureaucratic authoritarianism and its impact on the state are found in J. Malloy, ed., Authoritarianism and Corporatism in Latin America. Pittsburgh: Pittsburgh University Press, 1977, and D. Collier, ed., The New Authoritarianism in Latin America. Princeton: Princeton University Press, 1979.

[4]By structural bases of class compromise, I am referring to the economic and material benefits awarded the organized working classes in return for their acceptance of liberal bourgeois democratic rule (i.e. in exchange for these benefits, they agree to renounce class-based revolutionary struggle designed to fundamentally change the political and economic systems). These structural bases are most often worked out via collective bargaining, state mediation, and political agreements between organized labor, employer's associations, and the political authorities. The notion that the maintenance of democracy requires structural bases is derived from arguments offered in A. Przeworski and M. Wallerstein, "The Structure of Class Conflict in Democratic Capitalist Societies," American Political Science Review, V. 76, N. 2 (June 1982), pp. 215-238; Przeworski, "Class Compromise and the State: Western Europe and Latin America," Unpublished paper, Department of Political Science,

University of Chicago, June, 1980 (a Spanish version of this essay can be found in N. Lechner, ed., Estado y Política en America Latina. Mexico, D.F.: Siglo XXI, 1981); and Przeworski, "Economic Conditions of Class Compromise," unpublished paper, Department of Political Science, University of Chicago, December 1979.

[5]It is not possible here to delve at length into the full range of implications inherent in notions of economic democracy. For a brief look into the applications such notions have for the workplace, see footnote 12. For a discussion of the differences between various democratic systems and how they apply to the transitions to democracy in Argentina and Brazil, see Mainwaring and Viola, "New Social Movements, Political Culture, and Democracy," op.cit.

[6]On the general notion of political language as it pertains to social and inter-personal discourse, with particular reference to the Southern Cone, see O. Landi, "Sobre Lenguajes, Identidades y Ciudadanias Políticas," in Lechner, Estado y Politica en America Latina, pp. 172-198; and G.A. O'Donnell "Y a mí, que me importa? Notas sobre sociabilidad y política en Argentina y Brasil", Kellogg Institute Working Paper N. 9 (January 1984).

[7]Less the reader notes the contradiction (since I earlier characterize the Argentine process of re-democratization as "bottom up"), the fact that the process of institutionalizing occurs after procedural democracy was achieved makes the question more rather than less interesting. That is, it points to the fact that the timing of substantive democratization often is not linearly related, either apriori or aposteriori, to the procedural advent of democracy (and may, in fact, only begin after the process of regularized institutional uncertainty has been in place for a considerable period of time).

[8]Przeworski and Wallerstein, p. 232.

[9]The notion of inducements and constraints used here is derived from that offered in R.B. Collier and D. Collier, "Inducements versus Constraints: Disaggregating 'Corporatism'," American Political Science Review, V. 73, N. 4 (December 1979), pp. 967-986. Some of the specific types of inducements offered to capitalists mentioned here are drawn from Przeworski,"Class Compromise and the State," p. 24.

[10]International Labour Organisation, Public Labour Administration and its role in economic and social development. (Eleventh Conference of American States Members of the International Labour Organisation, Report II, Medellin, September-October, 1979). Geneva: International Labour Office, 1979, p. 46.

[11]M.B. Rosenberg and J.M. Malloy, "Indirect Participation versus Social Equity in the Evolution of Latin American Social Security Policy," in J. Booth and M. Seligson, eds., Political Participation in Latin America, Vol. 1: Citizen and State. New York: Holmes and Meier, Inc., 1978, p. 168. For an overview of social security programs in Latin America, see C. Mesa-Lago, Social Security in Latin America. Pittsburgh: University of Pittsburgh Press, 1978 (which includes discussion of Argentina).

[12]It should be emphasized that the focus here is centered at the macroeconomic level, and deliberately omits discussion of (the now extensive debate over) economic democracy in the workplace (e.g. employee participation in management, producer cooperatives, wage-earner investment funds, worker-management "co-determination," etc.). Nonetheless, it should be intuitively apparent that economic democratization of the workplace gives workers a larger stake in the productive process, and hence would strongly support, at a microeconomic level, the establishment of the structural bases of democratic class compromise envisioned here. That is, cooperative management, etc., lends more readily to joint control over investment

decisions at a macroeconomic level both within and across economic sectors. In fact, it has been suggested that workers involved in cooperative management schemes are more disposed towards wage restraint because of their self-interest in increased profitability, higher rates of investment, expansion, productivity, and consequent long term material gains. Moreover, the cross-cutting solidarities and material interests generated by such arrangements work to increase mutual calculations of self-advantage and diminish the perceptions of risk of both sides when negotiating the precise terms of the compromise. In any case, our attention here is directed towards the role of particular branches of the state in providing an institutional framework that at a macroeconomic (and political) level is conducive to the establishment of the structural bases of democratic class compromise. For a succinct discussion of the concept of economic democracy (albeit sketchy in its presentation of neo-marxist views on the subject), see Drew Christie, "Recent Calls for Economic Democracy," Ethics, V.95, N.1 (October, 1984), pp. 112-118. For an intriguing view of how economic democratiz ti n f the workplace in advanced capitalist societies potentially creates the structural conditions for a transition to socialism, see P.G. Schervish and A. Herman, "On the Road: Conceptualizing Class Structure in the Transition to Socialism," Work and Occupations, V. 13, N. 2 (May, 1986), pp. 264-291.

[13]P.C. Schmitter nicely summarizes the political dimension of contingent consent as follows: ". . . political actors agree to compete in such a way that those who win greater electoral support will exercise their temporary superiority and incumbency in government in such a way as not to prevent their opponents who may win greater support in the future from taking office, and those who lose in the present agree to respect the authority of the winners to make binding decisions on everyone, in exchange for being allowed to take

office and make similar decisions in the future." "Organized Interests and Democratic Consolidation in Southern Europe (and Latin America)," draft research proposal European University Institute, November, 1984, p. 10.

[14]Przeworski, "Economic Conditions of Class Compromise", p. 20.

[15]This outline of the general terms of democratic class compromise is drawn from Przeworski and Wallerstein, op. cit.

[16]"Organized Interests and Democratic Consolidation in Southern Europe (and Latin America)," p. 10. It should be noted that there is a difficulty inherent in Schmitter's view. Having an institutional ability to diminish uncertainties of an economic type is one thing; having an institutional ability to diminish expectations is quite another, and, I would guess, is far more complex an issue.

[17]Though it ultimately collapsed under the accumulated burdens of Perón's death, rampant sectoral cheating, his wife's inept successor government, and a rising tide of inter-sectoral violence, the Pacto Social nonetheless constituted a sincere reformist attempt at promoting, in limited fashion, the structural bases of class compromise.

[18]La Voz Argentina, V.7, N 70 (December 1985), p. 1.

[19]J.A. Silva Michelena and H.R Sontag, El Proceso Electoral de 1978. Caracas: Editorial El Ateneo de Caracas, 1979, p.51. Cited in C.I. Davis and K. L. Coleman, "Labor and the State: Union Incorporation and Working Class Politization in Latin America," Comparative Political Studies, V 18, N.4 (January 1986), p.401.

[20]For the most thorough review of the recent process of democratic transition experienced by Uruguay, see C. Gillespie, et al., Uruguay y la Democracia (3 Vols.). Montevideo: Ediciones de la Banda Oriental, 1984-1985.

[21]Using Venezuelan and Mexican labor as case studies, Davis and Coleman ("Labor and the State") argue that participation in inclusionary corporatist labor relations systems (they do not say whether of the state or societal variety) does not significantly alter worker attitudes towards the political regimes they are subject to. Avoiding discussion of the issue of individual strategies of choice based on materially-calculated grounds of self interest versus the binding properties of professed attitudes, they conclude that these systems provide no guarantees against a future labor revolt. That is to say, at some point they will no longer be able to fulfill their functional imperative (as defined by the authors) of controlling organized labor. This makes organized labor a "dormant volcano" in each of these countries. One could argue that control of organized labor is the functional imperative of exclusionary, rather than inclusionary corporatist labor relations systems. Inclusionary corporatism is based on the coopation and incorporation of sectoral interests such as organized labor. The differences between the two systems are evident in the number of constraints imposed by the state on the activities of the labor movement, the penalties levied against those who violate these constraints, and their specific mixture with state-provided inducements for cooperation (and eventual incorporation). Exclusionary systems emphasize constraints and hence control. Inclusionary systems emphasize inducements that are designed to secure labor cooperation. The difference in functional imperative is organizationally manifested in the structure and functions of national labor administration. Moreover, while one can readily agree with their general conclusion and find their specific findings of interest, Davis and Coleman's focus appears to be misplaced. It is the institutional arrangements governing the interaction among "peak" sectoral associations that condition the range of choice made available to

their respective affiliates, and hence are what ultimately determine individual worker's degree of loyalty to a given system. In fact, if the attitudes of workers in inclusionary systems are basically similar regardless of the formal status of their unions, the location of their industry, and the type of political regime that governs them, then it seems reasonable to believe that something else--possibly rationally calculated grounds of material self-interest--determine workers affiliation and their seemingly passive acceptance of the political and economic status quo. In any case, specific institutional arrangements underpin each of these regimes, and are what account for their differences as well as their relative degrees of stability. Left for another time is discussion of the implications inherent in the uniformly negative appraisal given by all workers in both countries to the political regimes in question. Despite the location of their industry, the type of regimes governing them, and whether or not their unions are incorporated into inclusionary labor relations systems, it seems that workers in Mexico and Venezuela are, as a class, disaffected with the prevailing order, something that augers potential trouble for the current political elites.

[22]A (national) political regime being the collection of social groups and political actors that gain control of the apex of the state, or what is commonly known as government. This includes (re) formulating the basic framework and rules of interaction governing the behavior of incumbents in policy-making positions, as well as the rules that govern modes of access to those positions. See P.G. Buchanan, Regime Change and State Development in Postwar Argentina. Chicago: Unpublished Ph.D. dissertation, Department of Political Science, University of Chicago, 1985. Also see Buchanan, "State Corporatism in Argentina: Labor Administration under Perón and Onganía,"

Latin American Research Review V. 20, N. 1 (Spring 1985).

[23]Przeworski and Wallerstein, p. 236.

[24]See Przeworski and Wallerstein, pp. 235-236, and Przeworski, "Class Compromise and the State," pp. 23-26.

[25]International Labour Organisation, Growth, Employment, and Basic Needs in Latin America and the Caribbean. (Eleventh Conference of American State Members of the International Labour Organisation, Report 1, Part 1: Report of the Director-General, Medellín, September-October, 1979). Geneva: International Labour Office, 1979, p. 75.

[26]Agustín Tosco, Interview published in Primera Plana, June 20, 1972.

[27]P.C. Schmitter, "Organized Interests and Democratic Consolidation in Southern Europe (and Latin America)," p. 2.

[28]For a more detailed description of "peak associations" (of an economic-functional kind), see ibid., pp. 16-17.

[29]I. L. O., Public Labour Admininstration and its role in economic and social development, pp. 43-44.

[30]Ibid., p. 43.

[31]La Nación, July 31, 1986, p. 5.

[32]Ibid. It should be noted that a majority of the current labor leadership currently does not see such a transformation in positive light. To many, the Alfonsín plan to reform basic labor legislation constitutes little more than another disguised attempt to disarticulate the vertical structure of the labor movement, which together with the Peronist Party constitutes the organizational foundation of the Peronist movement. Needless to say, this greatly complicates the negotiations between the erstwhile "social partners."

[33]Schmitter, "Organized Interests and Democratic Consolidation in Southern Europe (and Latin America)," p. 14.

[34]L. Diamond, S.M. Lipset, and J. Linz, "Developing and Sustaining Democratic Government in the Third World." Paper presented at the American Political Science Association Annual Meeting, August 28-31, 1986, p. 78.

[35]D. Levine, "On the Nature, Sources, and Future Prospects of Democracy in Venezuela." Paper presented at the Conference on Democracy in Developing Nations, Hoover Institution, Stanford University, December, 1985, pp. 38-39. Cited ibid.

[36]See, for example, the recent work by David Collier and Ruth Berins Collier, "The Initial Incorporation of the Labor Movement in Latin America: A Comparative Perspective," presented at the Western Political Science Association Annual Meetings, March, 1986, and Gregory M. Luebbert, "Origins of Modern Capitalists Polities and Labor Markets in Western Europe," presented at the Fifth International Conference of Europeanists of the Council of European Studies, October, 1985.

[37]Collier and Collier, ibid. and the sources cited therein.

[38]The notion of "historic memory" refers to the collective consciousness of particular social groups, particularly as it applies to interpretations of past events. In the case of organized labor, a central part of the historic memory revolves around the period of initial period of incorporation, since it is what brought labor into the political and economic arena in a way that had not been seen before, and in the case studied here, represents a relatively priviledged period (at least when compared with the more recent experience) to which current unionists can hark back to.

[39]On this point, see N. Mouzelis, "On the Rise of Postwar Military Dictatorships: Argentina, Chile, Greece." Comparative Studies in Society and History, V.28 (1986), pp. 68-72.

[40]Ibid., p. 70.

[41]On the status of labor under the military regime, see among others D.R. Decker, The Political, Economic, and Labor Climate in Argentina. Philadelphia, PA : Industrial Research Unit, The Wharton School, University of Pennsylvania, Multinational Industrial Relations Series N.4, Latin American Studies (4F-Argentina), 1983, especially pp.75-107; F. Delich "Después del Diluvio, La Clase Obrera," in A. Rouquié, ed., Argentina Hoy. Buenos Aires: Siglo XXI, 1982; B. Gallitelli and A. Thompson, eds., Sindicalismo y Régimenes Militares en Argentina Y Chile. Amsterdam: CEDLA, 1982.

[42]P.C. Schmitter, "Organized Interests and Democratic Consolidation in Southern Europe (and Latin America)," p. 13.

[43]V. Alba, Historia del Movimiento Obrero en America Latina. Mexico, D.F. Libreria Mexicanos Unidos, 1964; R. Alexander, Labor Relations in Argentina, Brazil, and Chile. New York: McGraw-Hill, 1962; S M Davis and L.W. Goodman, eds., Workers and Managers in Latin America. Lexington, MA: D.C. Heath and Co., 1972; J. Godio, Sindicalismo y Política en America Latina. Caracas: ILDIS, 1983; H. Spalding, Organized Labor in Latin America: Historical Case Studies of Workers in Dependent Societies. N.Y.: Harper and Row, 1977; H. Wiarda, Th Corporative Origins of the Iberian and Latin American Labor Relations Systems. Amherst, MA: University of Massachusetts Labor Relations and Research Center, 1976.

[44]Besides the work of Wiarda cited ibid., two essays that do attempt cross-national comparisons are R.B. Collier and D. Collier, "Inducements versus Constraints: Disaggregating 'Corporatism'," and F. Zapata, "Structural Bases of the Organization of the Latin American Labor Movement: Some Notes for Discussion," Montreal: Center for Developing Area Studies, McGill University, Working Paper N. 31 (August 1975).

[45]P. C. Schmitter and G. Lehembruch, eds., Trends Towards Corporatist Intermediation. Beverly Hills: Sage Publications, 1979; Lehembruch and Schmitters, eds., Patterns of Corporatist Policy-Making. Beverly Hills: Sage Publications, 1982; S. Berger, ed., Organizing Interests in Western Europe: Pluralism, Corporatism, and the Transformation of Politics. Cambridge: Cambridge University Press, 1981; and J. Goldthorpe, ed. Order and Conflict in Contemporary Capitalism. Oxford: Clarendon Press, 1984.

[46]See Przeworski and Wallerstein, op. cit., p. 232.

[47]I. L. O., Public Labour Administration and its role in economic and social development, p. 43.

[48]Among the measures I have in mind are legislation governing collective bargaining, mediation in labor disputes, welfare services for unionized workers, dues deductions from wages, the right to strike, formal recognition of unions as bargaining agents in specific industries, etc. See Collier and Collier, "Inducements versus Constraints," for a good description and categorization of these measures.

[49]I have used this analytical framework in previous work, including Regime Change and State Development in Postwar Argentina and "State Corporatism in Argentina: Labor Administration under Peron and Ongania." Most recently, it has been expanded and elaborated on in "State Organization as a Political Indicator," Western Hemisphere Area Studies Technical Report N. 1 (NPG-56-87-008) Department of National Security Affairs, Naval Postgraduate School, March 1986.

[50]For reasons of parsimony, and because others are so engaged, I shall not delve extensively into the organization of capitalist interests and their administration by the state. I do recognize that this leaves me with just one half of the equation, with the remainder (hopefully) being provided by the

above-mentioned "others" (see for example P.C. Schmitter, "Organized Interests and Democratic Consolidation in Southern Europe (and Latin America)," in which he outlines a large collaborative project that will comparatively analyze the structuring of different socio-economic group interests in several countries). Moreover, I do not claim that, even with a monopoly of collective representation, organized labor thus enjoys an absolute monopoly over individual worker's range of choice. As Peter Lange summarizes, there can exist several situations in which the rank and file adopt economic strategies that differ from those of their leaders. This is even more the case for unorganized labor, where the urge to "free-ride" in order to secure short-term material gains is strongest. Even so, as Lange points out, workers nonetheless have powerful rational motives, on material grounds, for accepting the wage regulation necessary for class compromise. See Peter Lange "Unions, Workers and Wage Regulation: The Rational Bases of Consent," in John H. Goldthrope, ed., Order and Conflict in Contemporary Capitalism, pp. 98-123. For a succinct discussion of the logic and dynamics of collective action in unions, firms, and business associations, see M. Wallerstein, "Unions and Firms as Rational Actors," in Working Class Solidarity and Rational Behavior. Ph.D. Dissertation, Department of Political Science, University of Chicago, 1985.

[51]Among the works which have employed this approach are J.A. Fernandez, The Political Elite of Argentina. New York: New York University Press, 1970; J.L. de Imaz, Los Que Mandan. Buenos Aires: EUDEBA, 1964; J. Niosi, Los Empresarios y el Estado Argentino. Buenos Aires: Siglo XXI, 1974; and G. Wynia, Argentina in the Postwar Era: Politics and Economic Policy Making in a Divided Society. Alburquerque: University of New Mexico Press, 1978.

[52]See, among many others, E. Epstein, "Control and Cooptation of the Argentine Labor Movement." Economic Development and Cultural Change, V. 2, N. 2 (April, 1979), pp. 445-465; T. Di Tella, Política y Clase Obrera. Buenos Aires: Centro Editor de America Latina, S.A., 1983; R. Carri, Sindicatos y Poder en la Argentina. Buenos Aires: Editorial Sudestaba, 1967; R. Rotundaro, Realidad y Cambio en el Sindicalismo. Buenos Aires: Editorial Pleamar, 1971; and S. Senen Gonzalez, El Poder Sindical. Buenos Aires: Editorial Plus Ultra, 1978.

[53]P.G. Buchanan, "State Corporatism in Argentina."

[54]For a recent historical-political-sociological comparative enterprise that addresses this point (among many other things), see P. Evans, D. Rueschemeyer, and T. Skocpol, eds., Bringing the State Back In. Cambridge: Cambridge University Press, 1985.

[55]G.A. O'Donnell, "Apuntes para una teoria de Estado," Documento CEDES/G.E. CLASCO, N. 9 (1977); O'Donnell and O. Oszlak, "Estado y Políticas Estatales en America Latina: Hacia una estrategia de investigación," Documento CEDES/G.E. CLASCO, N. 4 (1976); Oszlak, "Políticas Publicas y Régimenes Políticos: Reflexiones a partir de algunas experiencias Latinoamericanas," Estudios CEDES, V. 3, N. 2 (1980); Oszlak, "Notas Críticas para una Teoria de la Burocracia Estatal," Documento CEDES/G.E. CLASCO, N. 8 (1977); and Oszlak, "Formación Histórica del Estado en America Latina: Elementos Teórico-Metodológicos para su Estudio," Estudios CEDES, V. 1, N. 3 (1978).

[56]The "core" functional areas of state activity that occupy central attention under virtually all modern political regimes are: providing national defense and internal security; conducting international diplomatic relations; exploiting national resources (both natural and human); providing

basic public goods and services; formulating national economic policy; and administering the interests of important social groups. It is recognized that there is considerable overlapping between areas, and that the emphasis given to each varies according to regime type. This is precisely why study of these areas under different regimes is important. More generally, these functional areas can be described as being those of economic and political management, social control and socialization, resource extraction, integrative, security, and distribution of benefits functions, and encompass both ideological (if not hegemonic) and coercive state apparatuses. A more lengthy discussion of this point is found in Buchanan, Regime Change and State Development in Postwar Argentina, Ch. 1.

[57]Buchanan, "State Organization as a Political Indicator."

[58]The term "colonization" comes from A. Rouquié, Interview published in Resumen de la Actualidad, N. 88 (March 23, 1983), p. 23.

[59]Oszlak, "Políticas Publicas y Régimenes Políticos," pp. 15- passim.

[69]Regime Change and State Development in Postwar Argentina, Chs. 3 and 4.

[61]Benjamin A. Most, "Authoritarianism and the Growth of the State in Latin America: An Assessment of Their Impacts on Argentine Public Policy, 1930-1970," Comparative Political Studies, V. 13, N. 2 (July 1980), pp. 173-203. I should note that this is in many respects exactly the opposite conclusion from that drawn by Most. In my view, his emphasis on constraints weighs unduely against the influence and structural impact of regime change on the Argentine state, and in many respects does not accord with empirical reality. To be fair to Most, his primary interest in the essay was focused elsewhere, and does not attempt to specifically analyze this point. On the relationship of regime type to public policy more generally, see O'Donnell and

Oszlak, "Estado y Politicas Estatales en America Latina," and Oszlak, "Politicas Publicas y Regimenes Politicos."

[62]For an excellent review of the concept of state autonomy in the Marxist literature, see M. Carnoy, The State and Political Theory. Princeton: Princeton University Press, 1984, especially, Ch. 5.

[63]See, for example, T. Skocpol, "Bringing the State Back In: Strategies of Analysis in Current Research," in P. Evans, D. Reuschemeyer, and T. Skocpol, eds., Bringing the State Back In, pp. 3-37.

[64]Ibid.

[65]Oszlak, "Politicas Publicas y Regimenes Politicos," and P. G. Buchanan, Regime Change and State Development in Postwar Argentina.

[66]G. A. O'Donnell, "Corporatism and the Question of the State," in J. Malloy, ed., Authoritarianism and Corporatism in Latin America. Pittsburgh: University of Pittsburgh Press, 1977.

[67]This point is explored in more detail in P.G. Buchanan, "The Varied Faces of Domination." A good discussion of state autonomy under recent BA regimes in the Southern Cone is provided by A. Stepan, "State Power and the Strength of Civil Society in the Southern Cone of Latin America," in Evans, et al., Bringing the State Back In, pp. 317-346.

[68]The tidal nature of state development in postwar Argentina is the central focus of Buchanan, Regime Change and State Development in Postwar Argentina (see esp. the Conclusion). The notion of pendular shifts in Argentine society is introduced by G. A. O'Donnell, "Estado y Alianzas en la Argentina, 1955-1976," Estudios CEDES, N. 5 (October, 1976).

[69]This is not to imply that I am unaware of the generally negative evaluations of such "incu bents of technocratic roles" (i.e. technocrats) who, along with "specialists in coercion" (the military hierarchy), constituted the

nucleus of political authority in the preceeding regime. The point is that under democratic regimes the orientation and roles of these public servants must change significantly. See C. Offe, "The Capitalist State and the Problem of Policy Formation," in L. Lindberg, R. Alford, C. Crouch, and C. Offe, Stress and Contradiction in Modern Capitalism. Lexington, MA.: Heath, 1973. The theme of "state managers" in capitalist democracies has been refined by F. Block. See his "The Ruling Class Does Not Rule," Socialist Revolution, V. 7, N. 3 (1977), pp. 6-28 and "Beyond Relative Autonomy: State Managers as Historical Subjects," in R. Miliband and J. Saville, eds., Socialist Register. London: Merlin Press, 1980.

[70]For specific evidence of this in the Argentine case, see Regime Change and State Development in Postwar Argentina, Ch. 3.

[71]L. I. Rudolph and S. H. Rudolph, "Authority and Power in Bureaucratic and Patrimonial Administration: A Revisionist Interpretation of Weber on Bureaucracy." World Politics, V. 31, N. 2 (January, 1979), pp. 195-227.

[72]For a discussion of the "Proceso"'s labor policies and its impact on labor administration, see Buchanan, Regime Change and State Development in Postwar Argentina, pp. 170-181, 230-235, 260-263.

[73]La Nación, July 28, 1986, p. 2.

[74]La Nación, March 24, 1986, p. 3.

[75]On the "vertical" structure of the Argentine labor movement, see R. Zorrilla, Estructura y Dinámica del Sindicalismo. Buenos Aires: Editorial La Playade, 1974.

[76]The best analysis of these authoritarian and corrupt tendencies is found in J. Correa, Los Jerarcas Sindicales. Buenos Aires: Editorial Obrador, 1975.

[77]La Nación, July 25, 1986, p. 7; July 30, 1986, p. 6.

[78]This point is discussed in S. Senen Gonzalez, Breve Historia Del Sindicalismo Argentino, 1874-1974. Buenos Aires: Alzamor Editores, 1974.

[79]Ibid.

[80]La Nación, May 26, 1986, p. 2.

[81]Decreto 353/December 30, 1983. Boletín Informativo Anales de Legislación Argentina, N. 1 (1984) Buenos Aires: La Ley, 1984, p. 127.

[82]La Nación, June 16, 1986, p. 8.

[83]International Labour Conference, Final List of Delegations, 77nd Session. Geneva: Supplement to the Provisional Record (20 June, 1986), pp. 6-8.

[84]La Nación, March 17, 1986, p. 2.

[85]See the speech by Labor Minister Barrionuevo, cited in La Nación, March 24, 1986, p. 2.

[86]La Nación, August 4, 1986, p. 2.

[87]La Nación, March 24, 1986, p. 2. Also see U.S. Department of Labor, Foreign Labor Trends: Argentina. Washington, D.C.: Bureau of International Labor Affairs, FLT 86-18, 1985, pp. 13-14.

[88]La Nación, March 24, 1986, p. 2.

[89]Ibid.

[90]Ministry of Economy and Central Bank of the Argentine Republic, Argentine Economic Program 1984/1985. Buenos Aires: December 2, 1984, p. 16.

[91]La Nación, March 24, 1986, p. 2.

[92]On the origins and initial contours of this factional dispute, see P.G. Buchanan," The Argentine Labor Movement, 1982," Washington Report on the Hemisphere, V. 3 N.3 (November 2, 1982), pp. 4-5.

[93]For descriptions of these unions see La Nación, July 25, 1986, p. 7 and July 30, 1986, p. 6. Also see U.S. Department of Labor, Directory of Foreign

Labor Organizations: Argentina. Washington, D.C.: Bureau of International Labor Affairs (Argentina-8-ARA 3-4/1986k-A).

[94]La Nación, March 17, 1986. p. 4.

[95]La Nación, July 14, 1986, p. 2.

[96]La Nación, May 19, 1986, p. 2.

[97]Ibid.

[98]Decree 665/86, decree 1154/86, and decree 1155/86 are complementary decrees outlining the specific application of the salary adjustment package in different economic sectors.

[99]La Nación, July 30, 1986, p. 6.

[100]La Nación, July 24, 1986, p. 5.

[101]See C. Bernquist, Labor in Latin America. Stanford: Stanford University Press, 1986, esp. pp. 149-181 (where he discusses the role and government approach to another important union, the Meatworkers).

[102]R. T. Alemann, "La Retroalimentacion," La Nación, July 27, 1986, 3rd Section, p. 1.

[103]La Nación, May 19, 1986, p. 2.

[104]La Nación, July 14, 1986, p. 2.

[105]Decreto 132/10 D e ber 1983, Article 4. Boletín Infromativo Anales de Legislación Argentina, N. 1 (1984). Buenos Aires: La Ley, pp. 79-93.

[106]Ibid., Article 23, p. 90.

[107]For a good analysis of this trend, see H. Wiarda, The Corporative Origins of the Iberian and Latin American Labor Relations Systems. (Cited in footnote 43).

[108]On the Frondizi and Illia labor projects, see Buchanan, Regime Change and State Development in Postwar Argentina, Ch. 3.

[109]La Nación, February 10, 1986, pp. 1-2. Personal communication, Labor Attaché, U.S. Embassy, Buenos Aires, September 24, 1986.

[110]For a summary and analysis of Caro Figueroa's background and views, see El Periodista, V. 2, N. 81 (March 28-April 3, 1986), p. 6.

[111]La Nacion, March 24, 1986, p. 2.

[112]La Nacion, March 17, 1986, p. 5.

[113]Ibid., emphasis added.

[114]See Ibid, p. 4, for a discussion of these differences.

[115]For a discussion of these developments, see El Periodista, V. 3, N. 107 (September 26-October 2, 1986), pp. 2-3, 8, 12.

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